ONTARIO SCHOOL BOOKKEEPING

Second Course

ONTARIO SCHOOL
BOOKKEEPING
SECOND COURSE

A PRACTICAL COURSE IN BOOKKEEPING AND ACCOUNTING
FOR USE IN CONTINUATION AND HIGH SCHOOLS
AND COLLEGIATE INSTITUTES

BY

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PREFACE

THE object in view in preparing this book has been to meet the need for a text-book in Bookkeeping for the advanced classes in secondary schools.

While the sets of transactions given have reference to particular lines of business, the book does not profess to deal with each in a specialized manner. For the sake of clearness, particular lines of business, and definite systems of Bookkeeping, have been adopted, and business usages have been strictly adhered to throughout, but the main purpose of the book is to set forth the principles underlying the science of accountancy, and to show how these principles may be applied, so that the student who has completed the course will be able to adapt himself to any system.

Hence careful attention has been given to the use of special books and of special columns, but always with reference to their place in the complete system. In like manner the trading side and the expense side of the retail have been analyzed in such a way as to show at once how they may be made to exhibit the progress of the business and how they affect the arrangement of the books.

The sets are dated in the current school year. These dates may be changed from year to year, but the teacher should carefully correct dates for Sundays and holidays before beginning the work of the set.

Additional interest may be given to the work by making the business local. But before beginning the set the teacher should go over the directory and make such changes in the addresses of Customers and Creditors that distances may remain approximately as in the addresses given in the text.

The instructions at the beginning of each set are given for the sake of definiteness. It is not intended that they shall be followed without variation. Changes may be made for the sake of special emphasis on any method of arrangement, but such change should be made so as to include all related parts in the system adopted.

Further, the sets may be taken in an order different from that in which they occur. For example, Set VIII may be taken immediately after Set III. In that case no reference need be made to the Shipment and Consignment Ledgers. Again, Sets IV and V may be worked without making provision for departments, and Sets III, IV, and V may be discontinued at the end of the first month in each case, if desired.

The space assigned to accounts in the Ledger has been calculated upon the basis of about forty lines to the page.

BOOKKEEPING

SINGLE ENTRY AND DOUBLE ENTRY

BOOKKEEPING is not merely a record of the transactions of a business, nor even a systematic record of such transactions, but it is a record of the transactions of a business for a definite purpose, and it is the purpose that determines the system of bookkeeping.

The science which deals with the construction of systems of bookkeeping is called accountancy.

In a business in which purchases are delivered without charge and are paid for in cash at the beginning of each month, and in which sales are for cash, the system of bookkeeping is reduced to a cash book. To this a Merchandise account may very readily be added, if desired, by totalling the invoices and the daily sales for the month.

A more complex business, in which the sales are made on credit as well as for cash, requires the addition of some method of recording the accounts with persons. There are several methods, now in use, of filing the counter checks, any one of which will serve the purpose of such a record.

When, however, the expense side of the business begins to assume large proportions, and the net profits for the year depend upon the expenses as well as upon the profits on sales, such a system of bookkeeping becomes necessary as will present a complete analysis of Profits and Losses as well as of Assets and Liabilities.

The essential difference between Double Entry and Single Entry bookkeeping is that the former does, while the latter does not, present this complete analysis.

A careful examination of the Financial Statements in the two systems will make this clear.

THE FINANCIAL STATEMENT DOUBLE ENTRY

1. (*a*) From the following Trial Balance and Inventories make out a statement of Losses and Gains, a summary of the Capital Account, and a statement of Assets and Liabilities.

Cash	350.00	
Bank	2750.00	
Bills Receivable	1400.00	
William Davis	275.00	
Merchandise	5460.00	4320.00
Expense	875.00	
Real Estate	2450.00	
Interest and Discount	20.00	10.00
Bills Payable		1150.00
John Fraser		1700.00
James Leckie (Cap. Acct.)	400.00	6300.00
	13480.00	13480.00

INVENTORIES

Merchandise	*2120.00*
Real Estate	*2500.00*
Interest due on Bills Receivable	*12.00*
" " *Bills Payable*	*5.00*
Rent due by us and unpaid	*60.00*

(*b*) Make a list of the items used in the statement of Assets and Liabilities, grouping them according to the books or other sources from which they were obtained.

(*c*) What accounts in the Trial Balance are not included in the list in (*b*) above? What class of Accounts is this?

(*d*) If the class of accounts mentioned in (*c*) were omitted, could you find the Gain or Loss? How?

2. H. Walker begins business Jan. 1, with Assets $7560, and Liabilities $700. He withdraws during the year $450 and adds to his investment $800. His gains for the year have been $1260, and his losses $680. Make out a summary of his Capital Account at Dec. 31, showing his present Net Capital.

3. Adam Smith begins business Jan. 1, with Assets $8620 and Liabilities $3260. During the year he adds to his investment $1350, and withdraws for private use $770. Dec. 31 his standing is as follows: Cash on hand, $660; on deposit, $2520; Goods on hand, $3220; Notes on hand, $170; Notes outstanding, $225; Accounts due him, $360; Accounts due by him, $450; Interest due on Bills Payable, $1.60; Rent due by us and unpaid, $50; Insurance paid in advance, $10.20. Find his Net Gain for the year. (Make out a statement of Assets and Liabilities, and the summary of the Capital Account.)

4. T. D. Jordan closes the year as follows: Cash on hand, $375; on deposit, $2400; Goods on hand, $3360; Notes on hand, $160; Accounts due him, $460; Bills Payable outstanding, $330, and interest due thereon, $1.45; Salaries unpaid, $60; Rent of store paid in advance, $75. The Gains for the year have been $2260 and the Losses $1390. The proprietor withdrew during the year $120. Find his Net Investment. (Make out statements of Assets and Liabilities, and a summary of the Capital Account.)

THE FINANCIAL STATEMENT—SINGLE ENTRY

1. You are appointed bookkeeper for a firm whose books have been kept by Single Entry, and you are furnished with the following data: Cash on hand, $145.60; on deposit, $1112.70; Personal Accounts due to the firm, $1257.60; Personal Accounts due by the firm, $927.40; Bills Receivable on hand, $327.20; Bills Payable outstanding, $246.70; Rent of the store for the past month, unpaid, $75; Insurance paid in advance, $20; Goods on hand, $2296.40; Office Fixtures valued at $175; Horse and Wagon valued at $225; Interest due on Bills Receivable, $1.75; Interest due on Bills Payable, $1.10; C. Matthews (Cap. Acct.) Cr., $2125.60; D. Roberts (Cap. Acct.) Cr., $1736.75; C. Matthews (Private Acct.) Dr., $175; D. Roberts (Private Acct.) Dr., $122.50.

(*a*) If Gains and Losses are shared equally, make out (1) a statement of Assets and Liabilities; (2) a statement showing the Net Gain; (3) statements showing the Net Capital of each partner.

(*b*) Show the Capital Accounts and also the Private Accounts properly closed.

(*c*) Give the entry or entries necessary to change the books from Single to Double Entry: (1) in complete form, showing the items checked as posted (using any paging); (2) in short form, showing the items checked as posted (any paging). *See Out. Sch. Bookkeeping, section 140.*

REMARKS ON FINANCIAL STATEMENTS

It will be observed that the Financial Statement from a set of books kept by Single Entry shows Net Credit (or Net Investment), Net Gain or Loss, and Net Capital (or Present Capital). But each of these results can be found in only one way.

	The Net Investment	= Cr. side of Cap. Acct.	– Dr. side of Cap. Acct.
	" Gain	= Present Capital	– Net Investment.
or	" Loss	= Net Investment	– Present Capital.
	Present Capital	= Present Assets	– Present Liabilities.

In the Financial Statement made from a set of books kept by Double Entry each of these results may be found in two ways, one of which checks or proves the other.

	The Net Investment	= Cr. side of Cap. Acct.	– Dr. side of Cap. Acct.
	" Gain	= Sum of Gains	– Sum of Losses.
or	" Loss	= " " Losses	– " " Gains.
	The Present Capital	= Sum of Assets	– Sum of Liabilities.

But also,

	The Net Investment	= Present Capital	– Net Gain or + Net Loss.
	" " Gain	= " "	– Net Investment.
	" Present Capital	= Net Investment	+ Net Gain or – Net Loss.

It is true two sets of forms are not ruled up, but the Net Investment is found from the Capital Account, the Net Gain or Net Loss from the accounts showing Loss or Gain, and these two results are then combined to find the Net Capital. The Net Capital is also found from the Statement of Assets and Liabilities, and this result must be the same as that already found, if the work is correct.

CLOSING PARTNERSHIP ACCOUNTS

It is customary to keep a Private Account in the Ledger for each partner, in addition to his Capital Account. In closing the books, these accounts may be dealt with as follows:

(*a*) The Private Account may be closed to the Capital Account before the Trial Balance is taken.

(*b*) The Loss and Gain Account may be closed to the Private Account, and the Private Account then closed to the Capital Account.

(*c*) The Loss and Gain Account may be closed to the Private Account, and the balance may be brought down in the Private Account, the Capital Account remaining the same from year to year.

The first of these methods assumes that the withdrawals are withdrawals of capital. The second method assumes that the withdrawals are withdrawals of profits, and that the remaining profits are added to the capital. The third method regards the profits not withdrawn as a liability to the partners, but not as a part of their capital to be taken into consideration in apportioning future gains or losses.

DIVISION OF PROFITS BETWEEN PARTNERS

Partners may agree concerning the mode of dividing their profits and losses, and such agreement would be binding upon them as between themselves.

Profits are frequently divided,

1. In some fixed proportion as one-half to each, or in proportion to capital invested.
2. By allowing each a salary and then dividing the remainder as in 1 above.

3. By allowing each partner interest on his capital, and then dividing the remainder as in 1 above.

4. By some combination of the methods mentioned above.

EXAMPLE: *A* and *B* are partners. *A*'s investment is $6000, *B*'s $1500. By agreement each is to receive interest at 4 per cent. per annum on capital, *B* is to receive a salary of $500 and the remaining gain or loss is to be divided equally. The net profits before salary or interest are provided for are $600. Find the present capital of each.

Solution:

Net profits for the year		$600
A's interest 4% on $6000 = $240		
B's " 4% " 1500 = 60		
B's Salary	500	800
∴ Net Loss to divide =		200
Each ½ =		100

A's Net Capital = 6000 + 240 − 100 = $6140

B's " " = 1500 + 60 + 500 − 100 = $1960

EXERCISES

1. A. Wallace and R. Lincoln are partners, sharing gains and losses: Wallace, ⅔; Lincoln, ⅓. Their Accounts stand as follows: A. Wallace (Cap. Acct.) Cr., $3265.70; (Private Acct.) Dr., $220.10. R. Lincoln (Cap. Acct.) Cr., $2346.20; (Private Acct.) Dr., $127.20. Mdse. purchases have been $2465.60; Mdse. sales, $1786.20; Mdse. on hand at beginning of year, $920.20; Mdse. on hand at close of year, $2263.70. Mdse. Discount Acct., Dr., $125.60; Cr., $186.20; Interest and Discount Acct., Dr., $12.60; Cr., $9.40. Interest due on Bills Receivable is $1.45; on Bills Payable, $1.70. Expenses paid, $160. Rent of Store unpaid, $75. Horse and Wagon cost $250, now worth $225. Freight cost $25.

(*a*) Make out a Statement of Losses and Gains.

(*b*) Show the Capital and Private Accounts of the partners properly closed.

2. A. Malcolm and G. Logan enter into partnership under the following agreement: Each is to receive interest at 4 per cent. per annum on capital, as shown in his Capital Account, and a salary of $100 a month is to be paid to Malcolm; the remaining gain or loss is to be shared equally. At the end of one month their accounts stand as follows: A. Malcolm (Cap. Acct.) Cr., $4360; (Private Acct.) Dr., $660. G. Logan (Cap. Acct.) Cr., $2790; (Private Acct.) Dr., $540. The gain before interest and salary are deducted is $720.

Show the Private Accounts and the Capital Accounts properly closed.

3. T. Brown and J. Miller are partners. Brown invested $5600, and Miller $4800. Brown has drawn $240, and is entitled by agreement to interest at 4 per cent. per annum on Capital and a salary of $300 per annum. Miller has drawn $160, and is entitled to interest at 4 per cent. per annum on Capital and a salary of $200 per annum. They share net gain or loss equally. At the end of the year the loss, before salaries and interest are provided for, is $375.

Show the Private Accounts and the Capital Accounts properly closed.

4. William Roberts and Frank Smith have this day entered into a partnership agreement to carry on a General Store Business at 295 Queen St. Their standing is as follows: William Roberts—Assets, Cash, $424.60; Stock of Goods, $2360; R. Walker owes him on accou ', $175.20; Notes on hand, $366.50; Interest due on these notes, $2.25; Lease of Store for one year at $120 a month, one month of which is paid in advance; Insurance also paid in advance, $10.50; Shop Furniture which cost $175, present value, $150. Liabilities, Notes outstanding, $336.60; Interest due on these notes, $3.45; Due T. James on acct., $156.40. Frank Smith—Assets, Cash, $220 Liabilities, Note favour Geo. Pearson, $122.75, with interest due on the same, $1.35.

Make the opening Journal entry or entries for the above and show each item properly checked for posting. Use any paging. (*a*) The books are to be kept by Single Entry. (*b*) The books are to be kept by Double Entry.

SET I SINGLE ENTRY AND DOUBLE ENTRY

RETAIL HARDWARE

INSTRUCTIONS FOR PART I. SINGLE ENTRY

(*a*) Books to be Used.—Journal, Sales Book or Counter Check Book, Cash Book (single or double page as desired), Bill Book, and Ledger.

(*b*) Posting is to be done from the Journal and the Sales Book to the personal accounts in the Ledger. No Bank account is to be kept in the Ledger. All cash, on hand and in the Bank, is to be shown in the Cash Book, which is to be used as an Auxiliary Book

DIRECTORY

Adams, John, 97 Union St.
Armstrong, J. B., 243 Brock St.
Forbes, F. & Co., Toronto.
Gibson, W. J., 120 Division St.
Goodwin, G. 199 University Ave.
Lane, C. & Co., Montreal.
Laurie, E., Sydenham
McKinnon, D., Montreal
Richardson, R., 65 Earl St.
Stephenson, J., Gananoque.
Taylor, R., Camden East.
Thorne, W., Wilton.

LEDGER LINES

Open accounts in the following order: J. Adams, W. J. Gibson, E. Laurie, R. Richardson, J. Stephenson, R. Taylor, J. B. Armstrong, giving one third of a page to each. On the fourth page, F. Forbes & Co., C. Lane & Co., D. McKinnon, B. S. Milne's Capital Account.

MEMORANDA OF TRANSACTIONS

Kingston, Sept. 1, 19—. B. S. Milne this day commences the Retail Hardware Business at 99 Princes St., investing as follows:

Assets: Cash on hand, $150, on deposit in the Scholastic Bank, $275; Mdse. on hand, $797.20 Store and Lot valued at $3000; Note made by W. Thorne, Wilton, Aug. 1, at 1 mo., favour B. S. Milne, for $75; Draft drawn by R. Taylor, Camden East, on H. Winters, Kingston, at 30 da. from Aug. 3, in his own favour and endorsed in full to B. S. Milne, face of draft $125, accepted Aug. 5; balance due from W. J. Gibson, $75.20, from J. B. Armstrong, $110

Liabilities: Note made by B. S. Milne, Aug. 11, at 30 da., favour C. Lane & Co., Montreal, for $210.20; Draft drawn at 10 da. from Aug. 25 by D. McKinnon, Montreal, in his own favour, for $120, accepted by B. S. Milne, Aug. 27, payable at the Scholastic Bank, Kingston; balance due F. Forbes & Co., Toronto, $60

Engaged Student as bookkeeper at $10 a week and George Lang as clerk at $8.50 a week

2. Sold W. J. Gibson on acct., 3 Chisels @ 40c.; 6 Auger Bits, assorted sizes, @ 15c.; 1 Hammer @ 65c.; 6 Mortise Locks @ $5.85 a doz.; 2 Adjustable Iron Planes @ $2.25

Sold W. Thorne, on his note at 30 da., 12 Wrenches @ 40c.; 1 Grocer's Scales @ $3.75; 15 Shovels @ $1; 18 Hay Forks @ 80c. The note is received in payment

Drew on J. B. Armstrong in my favour at 5 da. from Sept. 1, for the balance of his account, and had the draft accepted.

Paid for Stamps and Stationery in cash, $4.50

3 Bought from F. Forbes & Co., an invoice of Mdse., Sept. 1, $^{2}/_{10}$, $^{n}/_{30}$, $199.30.

Sold to John Adams on acct., 2 Nickel Plated Braces @ 65c.; 4 Door Bells @ $7.50 a doz.; 1 set Knives and Forks @ $3.25.

Sold R. Taylor, 30 da., 3 Granite Kettles @ 75c.; 1 set Knives and Forks @ $3.25; 2 Nickel Plated Braces @ 65c.; 12 Auger Bits, assorted, @ 15c.

Sold E. Laurie, cash for one-half, balance on acct., 6 Wrenches @ 40c.; 1 Grocer's Scales @ $3.75; 12 Shovels at $1; 4 Brass Rules @ $7.10 a doz.

Remitted F. Forbes & Co., a cheque in settlement of their acct. to Sept. 1.

Cash Sales for the week, $175.

Pay salaries for the week in cash, bookkeeper, $5, clerk, $4.25.

Deposit all cash and cheques on hand but $100. No exchange on local cheques. Exchange on out-of-town cheques $\frac{1}{8}$%, but not less than 10 cents on any cheque.

Post up to date. Close the Cash Book.

6. Received from W. Thorne, cash in payment of his note due to-day.

W. Gibson settled his acct. to Sept. 1 by cheque.

H. Winters paid his acceptance due to-day by cheque.

Bought from C. Lane & Co. an invoice of Mdse., Sept. 3, $^{2}/_{10}$, $^{n}/_{30}$, $351.75.

Sold to G. Goodwin for cash, 6 Door Knobs @ $1.20 a doz.; 1 Axe @ $1.10; 1 Granite Kettle @ 75c.; 1 Nickel Plated Brace @ 65c.; $\frac{1}{2}$ doz. Auger Bits @ 15c. ea.

NOTE.—This sale is included in the cash sales at the end of the week. Do not enter it through the personal acct.

Sold to John Adams on acct., 2 Axes @ $1.10; 3 Nickel Plated Braces @ 65c.; 18 Auger Bits @ 15c.; 15 Chisels @ 40c.

Sold to R. Richardson on acct., 2 doz. Shovels @ $1 ea.; 3 Adjustable Iron Planes @ $2.55; 6 kegs Wire Nails @ $3; 3 doz. Mortise Locks @ $5.85; 1 doz. Hammers @ 65c. ea.

Paid by cheque, premium of insurance on stock, etc., in the Dominion Insurance Co., $15.50.

7. Paid by cheque, our acceptance favour D. McKinnon due to-day.

Sold to J. Stephenson on acct., 4 kegs Wire Nails @ $3; 12 Hay Forks @ 80c.; 3 Axes @ $1.10; 1 Grocer's Scales @ $3.75.

Sold to E. Laurie, cash for one-half, balance on acct., 3 kegs Wire Nails at $3; 12 Hammers @ 65c.; 4 Nickel Plated Braces @ 65c.; 24 Auger Bits @ 15c.

Deposited in the bank H. Winter's cheque, $125.

8. Received from J. B. Armstrong, cheque in payment of his acceptance due to-morrow.

Sold to J. B. Armstrong for cash, 1 doz. Mortise Locks @ $5.85; 3 kegs Wire Nails @ $3; 5 Adjustable Iron Planes @ $2.25; 4 Brass-bound Rules @ $7.10 a doz.

NOTE. This is not included in the Cash Sales; enter it in the Cash Book.

Sold to R. [illegible]lor for his note at 10 da., 1 set Knives and Forks @ $3.25; 5 Granite Kettles @ 75c.; 1 Grocer's Scales @ $3.75; 3 Wrenches @ 40c.; 4 Shovels @ $1. The note is received in payment. Put this through his personal acct.

Bought from F. Forbes & Co., an invoice of Mdse., Sept. 7, $^{2}/_{10}$, $^{n}/_{30}$, $375.50.

Deposit Armstrong's cheque received to-day.

9. Paid R. Wilson by cheque, for repairs to the store, $15.75.

J. B. Armstrong returns $\frac{1}{2}$ doz. of the Locks sold to him yesterday, and we give him the cash.

Discounted at the bank at 7 [illegible], W. Thorne's note of Sept. 2. Proceeds credited.

Sold to W. J. Gibson on acct., 4 doz. Door Knobs @ $1.20; 6 Door Bells @ $7.50 a doz.; 9 Hammers @ 65c.; 15 Mortise Locks @ $5.85 a doz.; 4 kegs Wire Nails @ $3.

Sold to W. Thorne on his note at 30 da., 18 Shovels at $1; 15 Hay Forks @ 80c; 12 Wrenches @ 40c.; 1 doz. Brass-bound Rules @ $7.10; 10 Adjustable Iron Planes @ $2.55. Received his note in payment.

10. Paid by cheque, F. Forbes & Co's invoice of Sept. 1, less discount

Received from J. Adams, cash in full of his account to date.

Received from E. Laurie, cash on acct., $20.

Bought from D. McKin. on an invoice of Mdse., Sept. 7, $\frac{2}{10}$, $\frac{n}{30}$, $167.60

Sold to R. Richardson on acct., 12 Hay Forks at 80c.; 2 sets Knives and Forks @ $3.25; 5 Granite Kettles @ 75c.; 3 Wrenches @ 40c.

Paid salaries for the week by cheque

Paid in cash Light bills for the month, as follows: Store, $5.25; Private Residence, $1.75

Cash Sales for the week, $325.

Deposited in the bank, cash $300.

Post up to date. Close the Cash Book.

12. Sold to J. B. Armstrong for cash—included in the Cash Sales - 3 Axes @ $1.10; 15 Chisels @ 40c.; 7 Hammers @ 65c.; 18 Mortise Locks @ $5.85 a doz.

Remitted to C. Lane & Co., a bank draft purchased by cheque, exchange ¼ , for bill of Sept. 3, less discount.

13. Paid by cheque, my note favour C. Lane & Co. due to-day.

Bought from C. Lane & Co. an invoice of Mdse., Sept. 10, $\frac{2}{10}$, $\frac{n}{30}$, $421.30

Received from R. Richardson, cash on acct., $82.50.

Sold to W. Harper, 310 Johnston St., for cash - included in the Cash Sales - ½ doz. Axes @ $1.10 ea.; 2½ doz. Auger Bits @ 15c. ea.; 1¼ doz. Chisels @ 40c. ea.; 4 kegs Wire Nails @ $3

Sold to J. Stephenson on acct., 9 Wrenches @ 40c.; 1½ doz. Brass-bound Rules @ $7.10; 4 doz. Door Knobs @ $1.20; 1½ doz. Door Bells @ $7.50.

14. Received from R. Taylor, cash on acct., $8.60.

Paid H. Strong by cheque for painting private residence, $25.

Withdrew for private use by cheque, $30.

Sold to E. Laurie on acct., 6 Axes @ $1.10; 1½ doz. Chisels @ 40c. ea.; 5 Hammers @ 65c.; 2½ doz Mortise Locks @ $5.85; 9 Shovels @ $1.

Sold to W. J. Gibson on acct., 8 Hammers @ 65c.; 15 Granite Kettles @ 75c.; 10 Hay Forks @ 80c.; 1½ doz. Chisels @ 40c. ea.

Sold to J. B. Armstrong for his note at 10 da., 9 Shovels @ $1; 5 Adjustable Iron Planes @ $2.55; 18 Mortise Locks @ $5.85 a doz.; 3 kegs Wire Nails @ $3; 6 sets Knives and Forks @ $3.25. Received his note in payment.

15. D. McKinnon & Co. have sent us a credit note for an overcharge of 50 cents a keg on 40 kegs Wire Nails in the invoice received Sept. 10. Deduct this allowance and pay the invoice, less discount, with a bank draft purchased by cheque, exchange ¼ .

Sold to John Adams on acct., 1 Grocer's Scales @ $3.75; 9 Brass-bound Rules @ $7.10 a doz.; 6 Adjustable Iron Planes @ $2.55.

Sold to R. Richardson on acct., 2½ doz Auger Bits @ 15c. ea.; 8 Nickel Plated Braces @ 65c.; 1½ doz. Chisels @ 40c. ea.; 3 doz. Door Knobs @ $1.20; 8 Door Bells @ $7.50 a doz.; 7 Hammers @ 65c.

Sold to R. Taylor, note at 20 da. for one-half, balance on acct., 1¼ doz. Wrenches @ 40c. ea. ; 1⅔ doz. Shovels @ $1 ea. ; 1½ doz. Brass-bound Rules @ $7.10 ; 2½ doz. Adjustable Iron Planes @ $2.55 ea. ; 7 kegs Wire Nails @ $3 ; 2¼ doz. Mortise Locks @ $5.85 a doz.

Cash Sales for the week, $321.95.

Deposit all the cash and cheques on hand but $50. Close the Cash Book but do not bring down the balance.

Post. Make out the Financial Statements. Close the Books.

THE FOLLOWING ARE THE INVENTORIES

Merchandise on hand	$1100.00
Real Estate, Store and Lot	3000.00
Insurance unexpired	14.85
Salaries unpaid	

Results : Net Capital, $. Net Gain, $

FORWARDING ACCOUNTS

When the space allotted to any ledger account has been filled, it becomes necessary to carry the account forward to a new page. The space indicated under "Ledger Lines" at the beginning of the sets in this book will not be found sufficient in all cases, and some of the accounts will have to be forwarded. In personal accounts it is usually sufficient to carry forward the balance. This would not apply, of course, where it is desirable that the total of the transactions with a debtor or creditor should be shown, nor where the total of accounts receivable or payable is required for checking purposes.

(*a*) Personal Account forwarded.

E. D. CAMERON (page) 37

19—								19—							
Sept.	1			C	22	267	50	Sept.	4	[illegible]		P	6	267	50
"	7	Rebate		J	10	12	50	"	20	S/D in 10 da.		P	17	172	10
"	27	Balance to	page	37		325	90	"	27	Note 30 da.		P	21	166	30
						605	90							605	90

E. D. CAMERON (page) 37

19—						
Sept.	27	Balance from	page	27	325	90

b. When a debtor or creditor sells out and his successor takes over the personal accounts of the business he has purchased, it is usually better to close out the old account and transfer the balance to a new account.

J. H. GREEN (SUCCEEDED BY T. HAMILTON) (page) 17

19—								19—							
Sept.	1	Balance				36	37	70	Sept.	4			C	15	37	70
"	10			S	16	45	60									
"	18			S	20	38	40	"	16			C	21	30	
								"	28	T. Hamilton	page	26		54	
						84								84	

T. HAMILTON (SUCCESSOR TO J. H. GREEN) *(page)*

19—						
Sept.	*28*	*J. H. Green*	*pap*	*17*	*54*	

(c) Accounts showing Loss or Gain should usually be carried forward in total. Only in this way can they be of use for percentage calculations upon the result of the trading for the period under consideration.

MERCHANDISE *(page)*

19—										19—				
Sept.	*30*	- - - - -	*P*	*16*	*4320*			*Sept.*	*30*	- - -	*S*	*29*	*158*	
"	*30*	*Disc.* - - - -	*C*	*12*	*25*	*60*		"	*30*	*Disc.* - - -	*C*	*32*	*(illegible)*	*(illegible)*
Oct.	*31*	- - - - -	*P*	*25*	*1405*	*70*		*Oct.*	*31*	- - - -	*S*	*(illegible)*	*(illegible)*	*(illegible)*
"	*31*	*Disc.* - - - -	*C*	*21*	*36*	*10*		"	*31*	- - - - -	*C*	*(illegible)*	*(illegible)*	*(illegible)*
Nov.	*30*	- - - - -	*P*	*33*	*1513*	*10*		"	*31*	*Disc.* - - -	*C*	*(illegible)*	*(illegible)*	*50*
"	*30*	*Disc.* - - - -	*C*	*34*	*27*	*60*		*Nov.*	*30*	- - - -	*S*	*(illegible)*	*(illegible)*	*(illegible)*
								"	"	- - - -	*C*	*(illegible)*	*(illegible)*	*(illegible)*
								"	*30*	*Disc.* - - -	*C*	*(illegible)*	*(illegible)*	*(illegible)*
"	*30*	*Forward to* - - -		*16*	*7398*	*10*		"	*30*	*Forward to* - -		*16*	*(illegible)*	*(illegible)*

MERCHANDISE *(page)*

19—										19—				
Nov.	*30*	*Forward from* - - -		*9*	*7398*	*10*		*Nov.*	*30*	*Forward from* - - -		*9*	*58*	*(illegible)*

(d) A Cash Book with special columns should be forwarded from page to page by totals until the totals are posted, when the book should be closed and the balance or balances only should be forwarded. If the Cash Book has special columns for the Bank account, the Bank balance should be forwarded just as the Cash balance is, but for those columns the totals of which are posted to the Ledger account there will be no balance to carry forward. While the totals from the special columns in the Cash Book are posted periodically, usually once a month, the Cash Book should be balanced and proved with the cash on hand, but not closed, every day.

EXERCISE ON CASH BOOK WITH SPECIAL COLUMNS

Rule a Cash Book with special columns on the Dr. side for Mdse. and Discount off Purchases, and on the Cr. side for Expense and Discount off Sales, and enter the following transactions. No Bank account is kept in the Ledger and all money on hand and on deposit is regarded as cash.

Sept. 1. A. B. Jardine continues business with cash on hand, $75 and in the Bank of Montreal, $2750.

2. Bought from H. Davis, Mdse. $750. Gave my cheque in payment.
Sold to G. Tilden for cash, Mdse. $160.
Paid rent for Sept. by cheque, $75.
Cash Sales, $25.
Paid the Light bill for Aug. in cash, $4.60.

3. Remitted R. Gardner on account, a cheque for $210. Discount already deducted, $7.50
Received from D. Clark, cash on account $120. Discount already deducted, $4.50.
C. Gurney paid his note, No. 1, due to-day, by cheque, $95
Paid for a bill of Stationery in cash, $12.60.
Cash Sales, $75.

Deposit all cash and cheques on hand but $20, exchange 20c.
Close the Cash book, showing all check marks for posting, including totals, and bring down the balance.

4. Paid L. Jones by cheque for bill of the 1st, $650, less discount 4 .
Paid by cheque my note, No. 1, favour A. Robinson, due to-day, face of note, $175; interest, $2.20.
Discounted at the Bank, D. Brown's note in my favour for $270. Discount, $4.60; proceeds deposited.
Received from H. Mason, his cheque for bill of Sept. 2, $175.20, less discount 5 .
Cash Sales, $33.60.

5. Bought from J. Burton for my cheque, a horse and delivery wagon, $195.
Sent J. Coulter my cheque in full for bill of Aug. 31, $260, less 3% discount.
E. Barber paid by cheque for his purchase of the 2nd, $320, less 2 .
Sold D. Horton for cash, Mdse. $26.90.
Prepaid by cheque my note, No. 2, favour H. Riddell, face of note, $160; discount, $2.80.
Cash Sales, $38.20.
Deposited all cheques and all cash on hand but $25. Exchange 65 cents.
Close the book and bring down the balance.
Show all check marks for posting, including those for totals and for balance brought down.

THE MERCHANDISE ACCOUNT

Like all Loss and Gain accounts, the Merchandise account shows on the debit side the cost, on the credit side the proceeds, and the difference shows loss or gain.

When the goods are not all sold, the gain or loss may be found in either of the following ways: (*a*) The inventory may be added to the proceeds and the difference taken; (*b*) The inventory may be subtracted from the cost, and the difference will then be found to be the same as in (*a*).

The first method is the one commonly used in the Merchandise account, because it is more convenient to add the inventory to the credit side in the account than it would be to subtract it from the debit side.

The second method is the more logical of the two, for it first finds the cost of the goods sold and then finds the gain on this cost. This method has the further advantage that if the percentage of gain is required, it presents the necessary data upon which the calculation may be made.

But further, it frequently happens that discounts or rebates are allowed or goods are returned, and if these transactions are entered in the Merchandise account the rebates and discounts off sales are entered on the debit side and added to the cost, while rebates and discounts off purchases are entered on the credit side and added to the sales; so that the totals of the account do not show either the actual cost or the actual proceeds, much less the cost of the goods sold. Even if separate accounts are kept for discounts and rebates, and these accounts are closed into the Merchandise account, the same result is presented.

It is therefore necessary to make a rearrangement of the Merchandise account so as to show the facts of the business. This rearrangement consists in a division of the account into three parts, Merchandise Purchases, Merchandise Sales, and Merchandise Inventory (or Merchandise Trading).

Thus arranged, the Merchandise account in the Ledger would take the following form, and together with Freight account and Merchandise Discount accounts, would be closed as shown. The Freight and Merchandise Discounts may be posted in totals from special columns in the Cash Book directly to these accounts, or they may be posted to separate accounts, which would then be closed to the Merchandise account.

FREIGHT

(page) 10

19—								19—						
Jan.	31			C	16	337	50							
Feb.	28			C	27	315	50							
Mar.	31			C	40	347	10	*Mar.	31	Mdse. Pur.		L	13	1000
						1000								1000

DISCOUNT OFF PURCHASES

(page) 11

19—								19—						
								Jan.	31			C	16	1050
								Feb.	28			C	27	1100
*Mar.	31	Mdse. Pur.		L	13	3000		Mar.	31			C	40	850
						3000								3000

DISCOUNT OFF SALES

(page) 12

19—								19—						
Jan.	31			C	16	325								
Feb.	28			C	27	350								
Mar.	31			C	40	325		*Mar.	31	Mdse. Sales		L	14	1000
						1000								1000

MERCHANDISE PURCHASES

(page) 13

19—								19—						
Jan.	31			P	20	14500		Jan.	31			R	5	750
Feb.	28			P	35	17000		Feb.	28			R	9	800
Mar.	31			P	48	14500		Mar.	31			R	11	450
"	31	Freight		L	10	1000		"	31	Discounts		L	11	3000
								* "	31	Net Purchases		L	15	42000
						47000								47000

MERCHANDISE SALES

(page) 14

19—								19—						
Jan.	31			R	3	220		Jan.	31			S		21500
Feb.	28			R	8	340		Feb.	28			S		17000
Mar.	31			R	14	440		Mar.	31			S		19500
"	31	Discounts		L	12	1000								
* "	31	Net Sales		L	15	58000								
						60000								60000

MERCHANDISE INVENTORY (page) 15

19—							19—						
Jan.	1	Inventory	L			60 0 0	Mar.	31	Inventory	L	15		50 0 0
Mar.	31	Net Purchases	L	13		42 0 0	"	31	Cost of Goods Sold	L	15		52 0 0
						102 0 0							102 0 0
Mar.	31	Cost of Goods Sold	L	15		52 0 0	Mar.	31	Net Sales	L	14		58 0 0
"	31	Gross Profits	L			6 0 0							
						58 0 0							58 0 0
Apr.	1	Inventory	L	15		50 0 0							

Instead of the "Merchandise Inventory" account shown in the preceding illustration, a Merchandise Trading account may be used. This account, it will be observed, does not show the cost of the goods sold.

MERCHANDISE TRADING (page) 16

19—							19—						
Jan.	1	Inventory	L			60 0 0	Mar.	31	Net Sales	L	14		58 0 0
Mar.	31	Net Purchases	L	13		42 0 0	"	31	Inventory	L	15		50 0 0
"	31	Gross Profits	L			6 0 0							
						108 0 0							108 0 0
Apr.	1	Inventory	L	15		50 0 0							

THE STATEMENT OF LOSSES AND GAINS

The accounts showing Loss or Gain in any business may be divided into two groups: (*a*) those representing the gains by trading, and (*b*) those representing the cost of carrying on the trading. The net profits of the business may be increased either by an increase in the profits of trading, or by a decrease in the expense of carrying on the business, and it is important that the Statement of Losses and Gains should present clearly these facts and their relation to each other. Hence this statement is usually divided into two parts, the first showing the gain on trading, called the Gross Profits, and the second showing the cost of carrying on the business, which is then deducted from the Gross Profits brought forward from the first division of the Statement, and shows the net profits on the business.

In their simplest form these two groups of accounts are represented by Mdse. Acct. and Expense Acct.: the large number of accounts entering into the longer Statements of Losses and Gains are, in the main, subdivisions of these two accounts.

The net sales are frequently spoken of as the "turnover" or as the "volume of business done," and both the profit on trading and the expense of carrying on the business are usually expressed in terms of this amount. The rate per cent. of profit obtained in this way would be very misleading if it were to be used in fixing the marked prices of goods, for then the advance must be made upon cost. But the net sales does form a very useful basis of calculation from the point of view of income, for of the income derived from sales, part is used to replace stock that has been sold, another part is used to pay the expenses of carrying on the business, and the remainder constitutes the net profit for the period.

With the division just indicated the Statement of Losses and Gains would take the following form:

TRADING ACCOUNT, MAR. 31, 19—

	Sales			
	Less Rebates			
	Discounts			
100%	*Net Sales*			
	Purchases			
	Less Rebates			
	Discounts			
	Add Freight			
	On hand, Jan. 1			
	Total Cost			
	On hand, Mar. 31			
89.65%	*Cost of Goods Sold*			
	Gross Profits Trading			
	Rate % on Cost		11.58%	
	" " *Net Sales*		10.37%	

PROFIT AND LOSS, MAR. 31, 19—

	Gross Profits Trading			
	Losses			
	Travelling Expenses			
	Salaries of Salesmen			
	Advertising			
	Rent			
	Insurance			
	Repairs			
	Office Expenses			
	" *Salaries*			
	Partner's Salary			
3.88%	*Total Expenses of carrying on the business*			
6.47%	*Net Profit*			
100.%				

SUMMARY OF F. B. WOODS CAPITAL ACCOUNT

	Net Credit	
	By Net Gain	
	Dr. Private Account	
	Net Capital	

NOTE.—The remarks immediately preceding the above statements have reference to the statement of Losses and Gains only, hence there will be no change in the form of the statement of Assets and Liabilities. The summary of only one partner's account has been given.

EXERCISE ON FINANCIAL STATEMENTS

1. TRIAL BALANCE

Cash	627.00	
Bills Receivable	650.00	
Accounts Receivable	1085.80	
Mdse. on hand Jan. 1	1600.00	
" *Purchases*	3500.00	
" *Sales*		4750.00
Discount off Purchases		27.50
" " *Sales*	13.00	
Freight	135.00	
Office Furniture	300.00	
" *Salaries*	150.00	
General Expense	52.00	
Rent	135.00	
Interest	16.50	13.50
Bills Payable		500.00
Accounts Payable		230.00
D. Parke (Cap. Acct.)		3000.00
D. Parke (Private)	25.00	
	8390.80	8390.80

2. TRIAL BALANCE

Cash	662.00	
Bills Receivable	244.00	
Accounts Receivable	576.00	
Mdse. on hand Jan. 1	800.00	
" *Purchases*	2110.00	
" *Sales*		2450.00
Rebates off Sales	19.50	
" " *Purchases*		26.00
Freight	27.50	
Rent	176.00	
Insurance	24.00	
General Expense	143.00	
Interest and Discount	13.00	11.50
Bills Payable		187.00
Accounts Payable		346.00
H. Riddell (Cap.)		1800.00
" *(Private)*	45.50	
	4820.50	4820.50

INVENTORIES

Mdse. on hand Dec. 31	1500.00
Office Furniture	150.00
Rent Paid in Advance	15.00

INVENTORIES

Mdse. on hand Dec. 31	1000.00
Insurance unearned	9.00
Interest on Bills Payable	1.00

Make out the Financial Statements for each of the above, showing the percentages down the margin.

EXERCISES ON CLOSING THE MERCHANDISE ACCOUNTS

1. The books of L. H. Packard & Co. show the following data: Goods on hand Jan. 1, $3267.20. Purchases for the year, $9267.50. Sales for the year, $11326.75. On hand Dec. 31, $4236.20. In-freight cost, $262.10. Discount off Purchases, $323.75. Discount off Sales, $121.20.

(*a*) Make out a Trading Account for the year for the firm

(*b*) Find the gain per cent. on Mdse. Trading.

(*c*) Rule up the following accounts and show them all properly closed: Mdse. Purchases, Mdse. Sales, Mdse. Inventory, Discount off Purchases, Discount off Sales, In freight.

2. George A. Slater has conducted business for a year with the following results: Goods on hand Jan 1, $2967.30; Purchases, $8264.70; Sales, $7326.90; Rebates off Purchases, $325.60; Discount off Purchases, $292.10; Rebates off Sales, $122.10; Discount off Sales, $97.60; In freight, $171.20; Goods on hand Dec. 31, $2468.60

(*a*) Make out the Trading Account for the year

(*b*) Calculate Gain or Loss per cent. on Mdse. Trading

(*c*) Make out the following accounts and show all properly closed: Mdse. Purchases, Mdse. Sales, Mdse. Inventory, In freight. Enter Rebates and Discounts directly in the Purchases and Sales accounts.

INSTRUCTIONS FOR PART II. DOUBLE ENTRY

(*a*) Books to be Used. General Journal, Sales Journal, Purchase Journal, Cash Journal, with special columns on the Debit side for Mdse., and Disc. off Purchases, and on the Credit side for Expense, Bill Book, and Ledger.

(*b*) Divide the Merchandise account into three parts: Mdse. Purchases, Mdse. Sales, Mdse. Inventory as in the example given, page 17. Keep accounts for General Expense, Rent, and Insurance. Close the Freight account and Discount off Purchases to Mdse. Purchases.

(*c*) In posting from the Purchase book post the date of the invoice, not the date on which it was received, and enter in the explanation column the terms of the invoice as in the illustration, page 14. Enter also a description of the payments, whether cash, note, etc. Keep a private account for each partner. Post in the following order: Gen. J., Sales J., Pur. J., Cash J.

LEDGER LINES

Open an account for Bills receivable on the third page. On the fifth page open B. S. Milne (Cap. Acct.), B. S. Milne (Priv. Acct.), J. D. Marshall (Cap. Acct.), J. D. Marshall (Priv. Acct.). Beginning on the sixth page, open the following accounts in the order given, allowing one quarter page for each: Freight, Discount off Purchases, Merchandise Purchases, Merchandise Sales, Merchandise Inventory, General Expense, Furniture and Fixtures, Insurance, Real Estate, Interest and Discount, Loss and Gain. Transfer Milne's Cap. Acct. to the new page.

MEMORANDA OF TRANSACTIONS

Kingston, Sept. 16. B. S. Milne this day changes books from Single to Double Entry and admits J. D. Marshall as partner under the following agreement: Mr. Marshall is to invest Cash equal to Mr. Milne's investment apart from the Store and Lot, which is valued at $3000. Mr. Milne is allowed $30 a month rent for the store, and the net gain or loss is then to be divided equally. The firm name is to be B. S. Milne & Co. Mr. Marshall hands over a marked cheque for the amount of his investment. Make the opening entry in complete form, post, and take off a Trial Balance.

The bookkeeper's salary is increased to $12 a week, and the clerk's to $10 a week, both to date from to-day.

Note. All sales for Cash are included in the Cash Sales.

Bought from D. McKinnon an invoice of Mdse., Sept. 14, $\frac{2}{10}$, $\frac{n}{30}$, $323.60.

Sold to G. Goodwin for cash, 6 Axes @ $1.10; 15 Auger Bits @ 15c.; 3 Nickel Plated Braces @ 65c.; 4 Chisels @ 40c.; 2½ doz. Door Knobs @ $1.20.

Sold to E. Laurie on acct., 1½ doz. Door Bells @ $7.50; 9 Hammers @ 65c.; 4 sets Knives and Forks @ $5.25; 4 Granite Kettles @ 75c.

Pay F. Forbes & Co. by cheque for the invoice of Sept. 7, less discount.

Bought of the Dominion Furniture Co. for cash, an Office Desk and Chair, $43.50.

17. Render statements of account to W. J. Gibson and R. Richardson, and draw on them at 5 da. from Sept. 16 for the amount. Leave the drafts at the bank for collection.

Sold to W. J. Gibson on acct., 1¼ doz. Mortise Locks @ $5.85; 6 kegs Wire Nails @ $3; 8 Adjustable Iron Planes @ $2.55; 1½ doz. Brass bound Rules @ $7.10; 7 Shovels @ $1.

Sold to R. Richardson on acct., 15 Wrenches @ 40c.; 10 kegs Wire Nails @ $3; 3½ doz. Hammers @ 65c. each; 10 doz. Door Knobs @ $1.20.

Paid salaries for the week in cash.

Cash Sales, $264.60. Post up to date.

19. Received cash on acct. from E. Laurie, $40. Remitted to C. Lane & Co. a bank draft purchased by cheque for the invoice of Sept. 10, less discount, exchange ¼

Sold to J. B. Armstrong for cash, 8 Adjustable Iron Planes @ $2.55; 4 doz. Mortise Locks @ $5.85; 15 Chisels @ 40c.

Sold to J. Stephenson on acct., 5 Axes @ $1.10; 3½ doz. Auger Bits @ 15c. ea.; 8 Chisels @ 40c.; 9 Hammers @ 65c.; 5 kegs Wire Nails @ $3; 4 Brass-bound Rules @ $7.10 a doz.

20. Bought from F. Forbes & Co., an invoice of Mdse., Sept. 18, $\frac{2}{10}$, $\frac{n}{30}$, $457.30.

Sold John Adams on acct., 5 Wrenches @ 40c.; 1 Grocer's Scales at $3.75; 2 sets Knives and Forks @ $3.25; 4 Granite Kettles @ 75c.

Sold R. Taylor on acct., 8 Shovels @ $1; 6 Hay Forks @ 80c.; 5 Granite Kettles @ 75c.; 6 Axes @ $1.10; 4 Adjustable Iron Planes @ $2.55; 9 Brass-bound Rules @ $7.10 a doz.

Sold to W. Thorne for his note at 10 da., 18 Auger Bits @ 15c.; 6 Nickel Plated Braces at 65c.; 15 Chisels @ 40c.; 6 kegs Wire Nails @ $3. Received his note in payment.

J. Stephenson returned 1¼ doz. Auger Bits from his purchase of the 18th. We give him credit.

Bought for cash 3 additional chairs for the office, $8.50.

21. Sold to W. J. Gibson on acct., 4 Axes @ $1.10; 3 kegs Wire Nails @ $3; 2 sets Knives and Forks @ $3.25; 4 Granite Kettles @ 75c.

The bank presented to us D. McKinnon's sight draft for the amount of the invoice of Sept. 14, less discount. We paid it in cash.

R. Taylor is unable to pay his note due to-day and he requests us to renew it for him for 30 da. We consent to this, and he hands us a new note to cover the old one, and interest at 7% for 33 da.

22. Sold to T. R. Matthews, 160 Brock St., for cash, 6 Axes @ $1.10; 8 Chisels @ 40c.; 5 Hammers @ 65c.; 10 Adjustable Iron Planes @ $2.55.

Sold to J. Stephenson on acct., 2½ doz. Auger Bits @ 15c.; 8 Nickel Plated Braces @ 65c.; 3 doz Door Knobs @ $1.20; 1½ doz. Door Bells @ $7.50; 8 kegs Wire Nails @ $3; 1½ doz. Shovels @ $1 ea

Cash Sales, $215.

Received cash on acct. as follows: W. J. Gibson, $50; R. Richardson, $75; J. Adams, $20.

23. F. Forbes & Co. overcharged us 25c. a keg on 30 kegs Wire Nails in their invoice of the 20th. We have to-day received a credit note for the amount.

Paid for a bill of Stationery in cash, $12.50.

Sold to R. Richardson on acct., 9 Wrenches @ 40c.; 15 Brass-bound Rules @ $7.10 a doz.; 6 Adjustable Iron Planes @ $2.55; 18 Mortise Locks @ $5.85 a doz.; 9 Chisels @ 40c.

24. B. S. Milne withdrew for private use, $45, and J. D. Marshall withdrew $30, both by cheque.

Sold to J. Adams on acct., 4 Granite Kettles @ 75c.; 1½ doz. Auger Bits @ 15c. ea.; 2 Nickel Plated Braces @ 65c.; 5 Mortise Locks @ $5.85 a doz.

Sold E. Laurie, 10 Hay Forks @ 80c.; 8 Shovels @ $1; 6 kegs Wire Nails @ $3. Received cash $10, balance on account.

Paid a freight bill in cash, $7.50

Paid salaries for the week in cash

Deposit all cash on hand but $100

Cash Sales, $339.90. Post up to date.

26 Sold J. B. Armstrong for cash, 6 Chisels @ 40c.; 2 sets Knives and Forks @ $3.25; 6 Granite Kettles @ 75c.; 3 Brass-bound Rules @ $7.10 a doz

Sold to R. Taylor for his acceptance at 30 da., 8 Adjustable Iron Planes @ $2.55; 6 Wrenches @ 40c.; 5 Axes @ $1.10; 2½ doz. Auger Bits @ 15c.; 2½ doz. Door Knobs @ $1.20; 15 Mortise Locks @ $5.85 a doz.; 4 kegs Wire Nails @ $3.

Bought from C. Lane & Co. an invoice of Mdse., Sept. 23, draft at sight, less 3 %, $265.90. The draft has not yet been presented.

Received cash on account as follows: J. Stephenson, $60.

The bank reports the drafts on W. J. Gibson and R. Richardson collected and the proceeds credited. Exch. charge ¼ %.

27. Sold to W. Thorne on his note at 30 da., 12 Hay Forks @ 80c.; 9 Wrenches @ 40c., 6 Brass-bound Rules @ $7.10 a doz.; 5 Granite Kettles @ 75c.; 5 Kegs Wire Nails @ $3; 3 Adjustable Iron Planes @ $2.55.

Paid F. Forbes & Co. by cheque for the invoice of Sept. 18, less discount and rebate.

The bank presented C. Lane & Co.'s sight draft for the amount of the invoice of Sept. 23, less discount. Paid the draft in cash.

J. B. Armstrong requests that his note due to-day be held over for 3 da. We consent to this arrangement.

28. Sold to R. Richardson on account, 5½ doz. Auger Bits @ 15c. ea.; 4 Nickel Plated Braces @ 65c.; 1¼ doz. Door Bells @ $7.50; 8 Shovels @ $1.

Paid T. Mitchell in cash for painting counters, $10.25.

J. D. Marshall took for private use 1 Hammer @ 50c.; 1 Adjustable Iron Plane @ $1.95, 1 Shovel @ 80c.

29. Sold to W. J. Gibson on account, 4 Axes @ $1.10; 9 Chisels @ 40c., Hammers @ 65c.; 3 Adjustable Iron Planes @ $2.55; 4 Rules at $7.10 a doz.

Bought from D. McKinnon an invoice of Mdse., Sept. 27, $\frac{2}{10}$, $\frac{1}{30}$, $339.10.

Received cash on account as follows: J. Adams, $20; R. Taylor, $90; W. J. Gibson, $40.

B. S. Milne took for private use 1 Grocer's Scales, $2.95; 1 set Knives and Forks, $2.50.

30. Returned to D. McKinnon from invoice of the 27th, 1½ doz. Adjustable Iron Planes found to be defective, price $1.95 ea.

J. B. Armstrong paid his note due on the 27th in cash.

Paid freight bill in cash, $13.75.

Cash Sales, $275.40.

Credit B. S. Milne in private account with ½ month's rent, and charge to General Expense Account.

Post up to date. Post totals from the Cash Book and close the book, bringing down the balance.

Take a Trial Balance, entering totals in all accounts showing Loss and Gain, balances in all others.

Make out the Financial Statements and close the books.

NOTE.—Do not forget to close Freight acct. and discount off Purchases to Mdse. Purchases acct. Then close Mdse. Purchases to Mdse. Inventory. Now enter Inventory at closing on the credit side of Mdse. Inventory acct., and close this acct. with "Cost of Goods Sold" and bring this amount below the ruling on the debit side. Next close Mdse. Sales to Mdse. Inventory, and the difference between the two sides of the Mdse. Inventory acct. will show the Gross Profits, which should be entered on the debit side of the acct. in red ink and transferred to the Loss and Gain acct. Close the other accounts, showing loss or gain, directly to the Loss and Gain acct. Then close the Loss and Gain acct. to the Private accounts—two red ink entries in Loss and Gain acct., one for each partner. Close the private accounts with "Balance to Capital acct." and transfer this balance to the Capital accounts. Close the Capital accounts with "Net Capital" and bring it down below the ruling on the credit side of the acct.

THE FOLLOWING ARE THE INVENTORIES

Merchandise on hand	*$1083.82*	*Real Estate, valued at*	*$3000.00*
Salaries due		*Furniture and Fixtures*	*40.00*
Insurance unexpired	*14.20*		

RESULTS

Net Capital, $.	*Net Gain, $* .	*Net Gain,*
Gross Profit, .	*Gross Profit, % on Sales,*	*% on Cost of Goods sold,*

EXERCISE ON LOSS AND GAIN ACCOUNTS

Make out in Ledger form the accounts indicated below, showing each one properly closed with the Net Gain or Loss. What items, if any, would have to be omitted in each to close with the Trading Profit or Loss?

1. **Stock.** Bought 760 head of cattle at $57.60 each. Kept them 13 weeks at a cost of 75c. each per week. Fifteen of the cattle died. Sold the hides at $4.60 each. Sold the remaining cattle at $72 each. Find Gain or Loss.

2. **Real Estate.** Had property on hand Jan. 1, $5200. Built houses on this property at a cost of $7600. Paid taxes for the year, $175. Collected rents, $275. House, valued at $1650, was destroyed by fire. Received insurance, $1200. Paid fees and other charges, $65. Property on hand Dec. 31, $13000. Find Net Gain or Loss.

3. **Groceries.** On hand Jan. 1, goods worth $4200. Cash purchases for the year, $2750. Credit purchases, $1640. Cash sales, $3100. Credit sales, $1800. Loss by fire, $2000. Received insurance, $1500. Gave to charities during the year, goods worth $175. Received by bequest a stock of groceries worth $2500. On hand Dec. 31, goods worth $6000. Find Net Gain or Loss.

4. **Provisions.** Goods on hand Jan. 1, $3275. Cash purchases, $3250, less discounts $275. Cash sales, $3370, less goods returned, $125. Credit purchases, $4260. Sales on credit, $5200. Running Expenses, $1520. Accounts which could not be collected, $146.20. Accepted 75c. on the dollar for a note of $325 received in the course of business. Goods on hand Dec. 31, $3700. Find Net Gain or Loss.

EXERCISE ON THE ANALYSIS OF MDSE. ACCOUNT

1. Mdse. Purchases, $8275.30. Sales, $7312.70. On hand at closing, $2729.40. Find the gain. Find the gain %.

2. Mdse. Purchases, $7624. Sales, $3725.60. On hand at beginning, $2272.10. On hand at closing, $6265.40. Find Gain or Loss and Gain or Loss %.

3. Mdse. Purchases, $7325.60. Sales, $8426.40. On hand at beginning, $1726.30. Gain %, 25. Find Inventory.

4. Sales, $6420.75. On hand Jan. 1, $2475. On hand Dec. 31, $1775.20. Gain %, 33⅓. Find the purchases.

5. Sales, $7264.20. On hand Dec. 31, $1726.50. On hand Jan. 1, $2926.30. Gain, $725. Find Purchases and Gain %.

6. Purchases, $3774.20. On hand Jan. 1, $4186.20. On hand Dec. 31, $4120. Loss, 10 %. Find the sales.

7. Inventory Dec. 31, $929.20. Loss, $6\frac{2}{3}$ %. Sales, $1726.20. Find the purchases.

8. On hand Jan. 1, $3726.40. On hand Dec. 31, $2426.30. Purchases, $7324.10, less discount $272.40. Sales, $9538.60, less rebates $165.30. Rent, $175. Taxes, $90. Gen. Expenses, $326.10. Net Credit, $4000. Find Gain % on Trading. Find Net Gain or Loss. Find Gain % on Capital. What % are the running expenses of the cost of the goods sold?

BANK ACCOUNT IN THE CASH BOOK

When it is considered desirable to have a Bank Account in the books, it is usual to keep it, not in the Ledger, but in the Cash Book. The Cash Book then shows the Cash Balance and the Bank Balance

separately. The entries in the Cash Book below, Sept. 1 to Sept. 5, are for the transactions in exercise, page 15.

A careful examination of the entries will show that entries for Bank transactions are made as follows: For Deposits, one entry only, the usual entry on the credit side, the amount being entered in the Bank Dr. column. For Cheques, two entries are necessary: (*a*) An entry is made on the debit side of the book for the money drawn from the Bank, the amount being entered in the Bank Cr. column; (*b*) the usual entry is then made on the credit side for the payment, the amount being entered in its proper column, general or special.

The difference between the sum of the totals of all the debit columns and the sum of the totals of all the credit columns will then be the amount of cash on hand. The difference between the totals of the two bank columns will be the amount on deposit —or the overdraft, as the case may be.

The entries and closing for Sept. 4 are intended to illustrate a second method of ruling and also the balances correctly brought down in case of a bank overdraft.

CASH BOOK *Dr.*

Date	L.F.	Acct. Cr.	Explanation	Gen.	Mdse.	Bank Cr.
Sept. 1	✓	Balance	On hand	25		
" 1	✓	"	" deposit	2250		
" 2	✓		Chk. No. 1			250
" 2	✓	Mdse.	Sold G. Tibbles		150	
" 2	✓		Chk. No. 2			25
" 2	✓	Mdse.	Cash Sales		27	
" 3	✓		Chk. No. 3			240
" 3	16	M. Doe.	E. Gardiner's Co.	7 50		
" 4	4	D. Clark	On acct.	124 50		
" 4	6	B. Rec.	No. 1	90		
" 3	✓	Mdse.	Cash Sales		55	
" 3	✓	Bank	Credit	*1035		1035
" 3	18	Mdse. S.	Credit	*260	260	
" 3	✓	Cash	Debit	1447		
* " 3	✓	Balance	On deposit			2227 50
				1447		2227 50
Sept. 4	✓	Balance	On hand	20		
" 4	✓	"	" deposit	2227 50		
" 4	✓		Chk. 4			2250
" 4	✓	Mdse.	Cash Sales		66 50	
				2247 50	66 50	2250
" 4	✓	Bank	Credit	2250		
" 4	18	Mdse.	Credit	66 50		
				2316 50		2316 50
Sept. 5	✓	Balance	On hand	29		
" 5	✓	Bank	Overdraft			2286 50

CASH BOOK *Cr.*

Date	L.F.	Acct. Dr.	Explanation	Gen.	Expense	Bank Dr.
Sept. 1	✓	Balance	On deposit			
" 2	17	Mdse.	Inv. No.			
" 2	✓	Expense	Rent Sept.		75	
" 2	✓	"	Light bill		4	
" 3	6	R. Gardiner	On acct.	24 50		
" 3	16	M. Doe.	D. Clark's Co.			
" 3	✓	Expense	Stationery		3 50	
" 3	✓	Bank	Deposit			1250
" 3	✓	Expense	Exchange		50	
" 3	✓	Bank	Debit	*2624 50		2624 50
" 3	21	Expense	Debit	*2 50	2 50	
" 4	✓	Cash	Credit			
* " 4	✓	Balance	On hand			
Sept. 4	✓	Balance	On deposit			2227 50
" 4	✓	Expense	Light bill			
			Tax			
" 4	19	Real Estate	Store and Lot			
				2249	7 50	2316 50
" 4	✓	Bank	Debit	2250		
" 4	21	Expense	Debit			
* " 4	✓	Bank	Overdraft			29 50
* " 4	✓	Balance	On hand			
Sept. 5	✓	Bank	Overdraft	29 50		

EXERCISES ON CASH BOOK

1. Rule a Cash Book with special columns on the debit side for Disc. off Purchases, and for Bank Cr., and on the credit side for Disc. off Sales, and for Bank Dr., and enter the following transactions

Oct. 1. H. Brooks began business with Cash on hand, $250, and on deposit in the Dominion Bank, $3700.

2. Received the following cheques on account: E. Turner, $160 (disc. already off, $4); T. Long, $75 (disc. already off, $3); W. Stephen, $64; R. Goldie, $122 (disc. already deducted, $5).

Remitted cheques in payment of the following accounts: T. Wood, $75, less 3 %; R. Jones, $160, less 2 %; M. Gray, $33

Discounted notes on hand, $730, the bank charging $5.40 discount. Deposited the proceeds of these notes and all cheques on hand. Exchange 90 cents

Paid wages by cheque, $75, and for Stationery in Cash, $2.50

Close the book and bring down the balances.

3. Received the following remittances in this morning's mail: B. Smith, on acct., $112 (disc. already deducted, $3); R. Walker, in full of his note, $135 and interest, $5; H. Green in payment of his acceptance, $212, less disc. for unexpired time, $3.

Issued cheques for the following: S. Black's acct., $177, less 2 %; H. Miller's acct., $260, less 5 %; my note favour H. Munro, $127.50, with interest to date, $2.10

Paid R[illegible] for Oct. by cheque, $50, and for an office chair in cash, $12.50

Deposit all cheques and all cash but $125. Exchange 50 cents

Close the book and bring down balances. Post and take off a Trial Balance.

2. Rule a Cash Book with special columns on the debit side for Bank Cr., Bills Rec. Cr., and Int and Disc. Cr., and on the credit side for Bank Dr., B. Pay. Dr., and Int. and Disc. Dr., and enter the following:

Nov. 1. George White continues business with Cash on hand, $275, and in the Standard Bank, $4500.

2. Remitted to R. Gray, cheque on account, $75.

Paid by cheque my note, No. 1, favour H. Green, $166, with interest, $4.

Paid Rent for Nov. by cheque, $60

Received from B. Black cheque in full of his acct., $120, less disc., $4

M. Winters paid his note, No. 1, due to day, by cheque, face $225. Interest $2.70

Deposit all cheques, exchange ¼ %, but not less than 10c. on any cheque

3. Discounted for H. Clark, J. Brown's note in his favour, face of note, $200, discount $3, proceeds paid by cheque

Received cheques in payment of the following notes due to-day: S. Robb's (No. 2), $320. D. Goods (No. 3), $175 and interest $4; G. Bush's (No. 4), $164 and interest $2.

Prepaid by cheque my note favour W. Moir (No. 2), face $260, disc. $3.

Paid for office supplies in cash, $12.50

Deposit all cheques on hand, exchange ¼ %, but not less than 10c. on any cheque

Close the book and bring down the balances

4. Received cheques as follows, -from T. Parks, in full of acct., $75, less disc. $3; from S. Polson, for his note, $122.50, and interest, $3; from J. Inglis, prepaying his note, $223, less disc., $2.50.

Issued cheques as follows, -to J. Carrier, in full of acct., $160, less disc., $6; in payment of the following notes favour E. Kerr (No. 3), $124, and interest $3; favour J. Matheson, $210, less disc., $6.

Gave the clerk on account of wages cash, $10

Deposit all cheques and all cash on hand but $50, exchang ¼ , but not less than 10c on any cheque

Close the book and bring down balances. Post and take off a Trial Balance

THE PURCHASE BOOK OR PURCHASE REGISTER

In some lines of business it is customary to offer a choice of terms on goods bought. Thus, the net price may be for 30 days, with the option of a discount of 2 per cent if paid within 10 days. In such cases it is important that the bill should be paid, if possible, within the 10 days and the discount earned. For this purpose it is necessary to enter the invoices in such a way as to keep a record of these due dates. One method of keeping such record is to enter in a daily memorandum book the name of the firm and the amount of the invoice under the date upon which it must be paid in order to earn the discount, care being taken to allow time for the transmission of the cheque. This entry is made as soon as the invoice has been checked up and certified by the proper person or persons. The invoices are not entered in the purchase book till the end of the month, when they are grouped according to the firms from which they have been received.

Another method is that illustrated in the form of Purchase Register below. The entries in this book must, of course, be made as soon as the invoice has been properly checked and certified.

PURCHASE REGISTER.

No.	Date Received	L.F.	Name	Address	Date of Invoice	Terms	When Due: Year	Month	Day	Amount of Invoice	Net Amount	When and How Paid
	Sept.	3	*E. Forbes & Co.*	*Toronto*	*Sept.*	*2 30 net*				*11 1*	*Less 10 c. 3 on 60 c. 11*	*Sept. 10 ch.*
	"		*C. Lucas & Co.*	*Montreal*	"	*3 2 30 net*				*13 3*	*Less 2 on 213 13 4*	" *12 B.*
	"	5	*J. Forbes & Co.*	*Forest*		*2 10*						*D.*
	"	7	*D. M. Kinnear*	*Montreal*	"	*2 2 10*						
	"	7	*C. Lucas & Co.*	*Montreal*	"							
*	"	17	*Mdse.*	*Dr.*								

NOTE. The first date under "when due" may in each case be entered in red ink for the sake of emphasis.

THE SALES LEDGER OR CUSTOMERS' LEDGER

When there is a large number of customers' accounts to be kept, it is found convenient to have a separate Ledger for them, or even several such Ledgers. The Ledger is then subdivided into "Sales Ledger" and "Purchase and General Ledger." If the number of accounts is so great that one person is unable to enter all the credit sales, the Sales Ledger is itself subdivided. This division may be made either alphabetically, thus, "Ledger A to G," "Ledger H to N," "Ledger O to Z," or territorially, "City Ledger," "Country Ledger."

In the Trial Balance, the balance only of these ledgers is entered under the name Accounts Receivable, just as the balance of cash was entered from the Cash Book. Or if it is so desired, a Cash account and an Accounts Receivable account may be opened in the General Ledger, and the balance of the Cash Book and of the Customers' Ledger entered therein. The General Ledger will then balance independently of any other book.

It is to the Ledgers containing personal accounts that the loose leaf system lends itself most readily, for accounts may then be dropped from the ledger or they may be continued indefinitely without interfering with the arrangement of the accounts.

A convenient form of Sales Ledger account follows.

Account No. 1 Sheet No. 1.

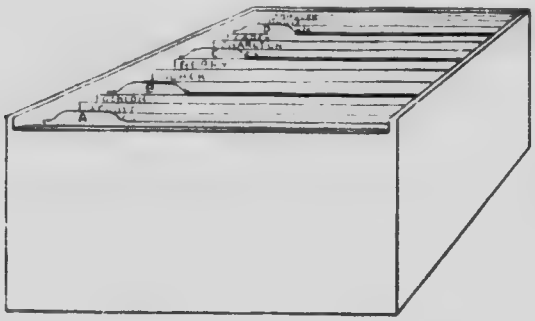
Name, E. HENDERSON

Address HINDS

Date	Description	Folio	Debits	Ck	Credits	Dr. or Cr.	Balance
19							
Nov.	Balance					Dr.	150 70
" 1	Cash				75 40		75 30
" 3	N/30 days				36 76		38 54
" 15	Dr. note, Int. 5%		112 15	✓			150 69
Dec. 1	Int. on note		2 11	✓			152 80
" 1	Cash				150 00		2 80
" 9	N/30 days				114 1		
" 10	Disc. 2%				2 33		114 80
" 14	Int. on note		2 00	✓			116 80
" 18	Cash				100 00		
" 31	Dr. note, Int. 5%		81 20				81 20

Note. If it is thought desirable that the Ledger account should contain the items of the sales, these may be entered instead of the terms of the sale, especially if the sales are on open account. This seems scarcely necessary, however, for an itemized bill is given at the time of the sale, and it seems only necessary for the account and the corresponding statement to contain a summary.

Many grocers, butchers and other merchants whose sales are mainly for cash, but who find it necessary to do a certain amount of business on credit, *avoid* opening accounts with debtors by adopting some modification of the vertical filing system.



A drawer or box is provided and is furnished with an index and manilla folders, the folders having one side higher than the other, the lower side being high enough to cover the counter checks when inserted sideways in the folder. On the inside of the higher part of the folder a customer's name is written, and all checks representing transactions with that customer are inserted in the folder bearing his name, the folder being placed in its proper alphabetical order in the drawer.

By totalling the charge checks within the folder at any time, and deducting the credit checks, the balance of the account may be quickly obtained and the labour of preparing a Ledger account has been avoided.

SET II DOUBLE ENTRY

RETAIL CLOTHING

SPECIAL FEATURES. The Bank account is kept in the Cash Book by means of a special column. The use of the Sales Ledger, or Customers' Ledger, is introduced.

INSTRUCTIONS

BOOKS TO BE USED. - General Journal, Purchase Journal, Sales Journal, Cash Journal, the latter with special columns on the Debit side for Mdse. Sales and for Bank Cr., and on the Credit side for Expense and Bank Dr. General Ledger, and Customers' Ledger to be balanced together, Bill Book.

DIRECTORY

Ackerman, F., 45 Water St.	*Jenkins, R. D., Hespeler*
Barton & Manning, Hamilton.	*Leckie, John, Waterloo*
Beaver, R., Bloomingdale.	*McDonald, Norton, Montreal.*
Bond, H. E., Preston.	*Mitchell, Robert, Breslau*
Cameron, D., 77 Queen St.	*Newlands, W., 68 Weber St.*
Goldberg, Joseph, 60 Water St.	*Noxon, Chas., Waterloo*
Hume Bros., Berlin.	*All others, Berlin*

LEDGERS

SALES LEDGER.—Three pages, 4 accounts on a page, 2 on the left and 2 on the right hand side.

GENERAL LEDGER. -Three accounts on a page: Bills Receivable, Bills Payable, Mortgage Payable, Norton McDonald, Barton & Manning, Hume Bros., R. D. Kemp (Cap. Acct.), R. D. Kemp (Priv. Acct.), J. S. Forbes (Cap. Acct.), J. S. Forbes (Priv. Acct.), Freight, Discount off Purchases, Merchandise Purchases, Merchandise Sales, Merchandise Inventory, Real Estate, Insurance, Expense, Office Furniture, Interest and Discount, Salaries, Loss and Gain.

MEMORANDA OF TRANSACTIONS

Berlin, Oct. 1, 19 . The firm of Kemp & Forbes carry on a Retail Clothing Business, at 166 King St. The members of the firm are R. D. Kemp and J. S. Forbes. By their agreement each is to get 5 per annum interest on his net capital, as shown in his capital account, the net gain or loss is then to be divided equally. Neither partner is to withdraw more than $100 a month. Their present standing is as follows:

Cash on hand, $450; Goods on hand, $1850; Office Furniture, $350; Store and Lot, $6000, against which there is a mortgage of $4000, bearing interest at 4½ per cent.; note on hand against W. Newlands, No. 12, dated Sept. 20, at 30 da. for $77.20; accounts receivable: J. Leckie, $25.40; D. Cameron, $44.15; R. Mitchell, $22.65; Chas. Noxon, $15.60; Cash in the bank, $869.55.

They owe on a note, No. 14, favour Barton & Manning, dated Sept. 15 at 30 da., $225.10; to Norton McDonald on account, $99.20. Interest on Mortgage, $50. R. D. Kemp's Net Cap. is $3270.10, and J. S. Forbes's Net Cap. is $2060.15.

You are engaged as bookkeeper at $60 a month and are instructed to open a new set of books from the above data. Make the necessary opening entries, post and take off a Trial Balance.

3 Received the following payments on account: D. Cameron, $25; R. Mitchell, $12.50; C. Noxon, $10.
Received from Barton & Manning, invoice No. 75, Oct. 1, $\frac{1}{10}$, $\frac{1}{30}$, $377.40.
Sold W. Newlands, 1 Beaver Overcoat, $12.50; 1 pr. Suspenders, 50c.; 2 suits Underwear @ $2.25.
Insured the Store and Contents in the Dominion Insurance Co. for $4000 at $\frac{1}{4}$ per cent., and paid the premium by cheque. (The last cheque was No. 57.)

4. Accepted Norton McDonald's draft (No. 17) at 30 da. from Sept. 22, for the amount of their bill of that date, $99.20.
Sold to H. E. Bond, 1 pr. Men's Trousers, $4; 1 Boy's 2-piece Norfolk Suit, $5.75; 6 Linen Collars, $1.
Sold R. Mitchell, 1 Tweed Suit, $10.50; 2 White Shirts @ $1; 1 suit Underwear @ $2.25; 1 pr. Kid Gloves @ $1.50.

5. S. James requests us to loan him $300 for 20 da., and we consent to discount his note (No. 13) for that amount and time at 6%. We hand him a cheque for the proceeds.
Sold to John Leckie, 1 pr. Suspenders, 50c.; 1 Men's Negligé Shirt, 75c.; 1 suit Underwear, $2.25.
Cash Sales, $75.50.
Paid for a bill of Stationery by cheque, $12.50.
Mr. Kemp took for his own use 1 Rain Coat, $12.40; 1 suit Underwear, $1.75.

6. Sold to R. Beaver, 1 Fall Overcoat, $10.50; 1 Boy's 3-piece Suit, $4.50. Received cash, $10, balance on acct.
Sold to Chas. Noxon, 1 Tweed Suit, $10.50; 1 Boy's Ulster Overcoat, $3.25; 3 prs. Cuffs @ 25c.
Received cash on account as follows: John Leckie, $20; W. Newlands, $10.
R. Mitchell returned the Tweed Suit bought on the 4th, $10.50, and took instead a Worsted Suit @ $12.50.

7. Sold to F. Ackerman, 1 Single Breasted Tweed Suit, $10.50; 1 Negligé Shirt, 75c.
Sold to W. H. Moir for cash (included in the Cash Sales) 1 pr. Suspenders, 50c.; 2 prs. Socks @ 35c.; 1 pr. Gloves @ $1.50.
Received from Hume Bros., an invoice of Mdse., Oct. 6, $\frac{1}{30}$, $\frac{1}{60}$, $126.60.

8. Sold to R. D. Jenkins, 1 B. Beaver Overcoat, $12.50; 2 White Shirts @ $1; 1 suit Underwear @ $2.25; 1 pr. Kid Gloves @ $1.50.
Cash Sales, $135.10.
Paid P. Ottoman in cash, for alterations to clothing, $3.75.
The bank presents the sight draft of D. Horton on Mr. Forbes for $25. It is paid by cheque and charged to his private account.
Deposit all the cash on hand but $100, exchange $\frac{1}{8}$%, on out-of-town cheques, but not less than 10c. on any cheque.
Post up to date.

10. Sold to W. Newlands, 1 suit, Worsted, $12.50; 1 Boy's 3-piece Suit, Tweed, $4.50; 1 White Shirt, $1; 1 pr. Kid Gloves, $1.50.
Sold Jos. Goldberg, 1 pr. Men's Trousers, $4; 1 Boy's Norfolk Suit, $5.75.
Remitted to Barton & Manning cheque for the amount of the invoice of Oct. 1, less discount.

11 Sold to F. Ackerman, 1 Rain Coat, $16.50; 3 Ties @ 25c.; 2 pr. Socks @ 35c.; 1 pr. Kid Gloves, $1.50.
Sold to D. Cameron, 1 Fall Overcoat @ $10.50; 1 Fancy Worsted Suit @ $12.50; 2 suits Underwear @ $2.25. Received cash $15, balance on account.
Mr. Kemp's insurance premium falls due to day, $21.90. It is paid for him by cheque.

12. Sold to H. E. Bond, 1 Rain Coat, $16.50 ; 1 Single Breasted Suit, $10.50
Cash Sales, $87.60.
Received cash on account from F. Ackerman, $15 ; cheque from H. E. Bond, $20.

13. Sold John Izekie, 1 Vest, $2.95 ; 1 suit, Worsted, $12.50 ; 2 prs. Socks @ 35c.
Sold to C. Laine for cash—included in Cash Sales—1 Vest, $2.95 , 2 Ties @ 50c. ; 1 pr. R. Gloves, 50c
Received from Norton McDonald, an invoice of Mdse., Oct. 10, $\frac{3}{30}$ ... $\frac{n}{m}$ ... $77.20
Received from John Izekie, his note at 10 da. from to-day for the full amount of his account to date

14. Sold to R. Mitchell, 1 Boy's 3-piece Suit, $4.50 ; 1 Boy's Overcoat, $5.25 ; 1 suit Boy's Underwear, $1.50.

15. Sold to R. D. Jenkins, 1 Tweed Suit @ $10.50 ; 1 suit Boy's Underwear, $1.50 , 1 Boy's Overcoat, $5.75.
Cash Sales, $140.40.
Gave Hume Bros. a cheque for the amount of their invoice of the 6th, less discount
Received from R. Mitchell, his note at 30 da. from to-day for the balance of his account.
Paid P. Ottoman in cash, for alterations to clothing, $4.50.
Paid freight bill for the half month by cheque, $18.75.
Paid Bookkeeper's salary in cash
Deposit all cash and cheques on hand but $100. Exchange $\frac{1}{8}$ on out of town cheques, but not less than 10c.
Post up to date. Post totals. Close the Cash Book. Take off a Trial Balance.

17. Sold to Chas. Noxon, 1 B. B. Overcoat, $12.50 ; 1 Boy's Norfolk Suit, $5.75 ; 2 Men's Coloured Shirts @ $1.25 ; 3 prs. Socks @ 35c.
Sold C. N. Peters for cash included in the Cash Sales—2 prs. Cuffs @ 25c. ; 2 suits Underwear @ $2.25.
Received from Barton & Manning, an invoice of Mdse., Oct. 14, $\frac{3}{30}$ $\frac{n}{m}$ ..., $296.20.
H. Bond's cheque deposited on the 15th is returned by the bank dishonoured. Charge it back to Bond's acct.

18. Sold to W. Newlands, 1 pr. Youth's Trousers, $2.50 ; 6 Linen Collars, $1 ; 3 prs. Socks @ 35c
Remitted to Norton McDonald, a cheque for amount of their invoice of Oct. 10, less discount
C. Noxon presents his bill for $10.25 for repairs to counters. With his consent this is credited to his account. Paid our note favour Barton & Manning due to-day, by cheque.

19. Sold to Joseph Goldberg, 1 pr. Suspenders, 50c , 3 Ties @ 25c , 2 prs. Socks @ 35c. ; 1 pr. R. Gloves, 50c.
Sold to F. Ackerman, 1 Fall Overcoat @ $10.50 ; 1 pr. Trousers, $4
Cash Sales, $99.30.
Received from R. D. Jenkins, cash $16, and his note at 30 da. for the balance of his account

20. Sold to D. Cameron, 1 Boy's Worsted Suit, $6.50 , 1 Boy's Overcoat, $5.25 , 3 prs. Socks @ 35c. ; 1 pr. Kid Gloves, $1.50.
Sold to C. Wickett for cash—not included in the Cash Sales 1 pr. Men's Trousers, $4 ; 6 Linen Collars, $1 ; 2 prs. Socks @ 35c.
Received from Norton McDonald, an invoice of Mdse., O 17 $93.40
Mr. Kemp's bill for Coal, $44.50, is presented by the City Coal Co. It is paid by cheque and charged to his private account.

21 Sold to R. Mitchell, 1 pr. Suspenders, 50c.; 1 Negligé Shirt, 75c.; 6 Linen Collars, $1; 1 pr. Socks, 35c.

Barton & Manning have agreed to allow us a rebate of 20% on 6 suits belonging to their invoice of the 14th, which were of inferior grade. The invoice price was $8.90 each. We send them a cheque for the balance of the invoice, less discount.

22 Sold to Chas. Noxon, 1 pr. Men's Trousers $4; 1 pr. Youth's Trousers, $2.50; 1 Rain Coat, $16.50; 1 pr. R. Gloves, 50c.

Cash Sales, $152.60.

Received from Hume Bros., an invoice of Mdse., Oct. 21, 2/10, n/30, $86.40.

Paid P. Ottoman for alterations to clothing, cash $3.30.

Received cash on account from F. Ackerman, $12.50, from H. E. Bond, $30.00, from W. Newlands, $16.50.

Deposit all cheques and cash, but $100, usual exchange.

D. Cameron returned the Boy's Suit bought on the 20th and we gave him credit. Post up to date.

24 Sold R. Beaver, 1 pr. Youth's Trousers, $2.50; 1 pr. Cuffs @ 25c.; 6 Linen Collars, $1; 4 pr. Socks @ 35c.; 1 pr. R. Gloves, 50c. W. Newlands pays his note due to-day by cheque.

C. Winters presents a note made by Mr. Kemp, Sept. 21, at 1 mo., for $29.20, with interest at 6%. It is paid by cheque and charged to his personal acct.

Sold to F. Ackerman, 1 pr. Youth's Trousers, $2.50; 1 Boy's 3-piece Suit, $4.50; 1 suit Boy's Underwear, $1.50.

Sold to W. J. Gibson for cash (not included in the Cash Sales) 2 White Shirts @ $1; 4 prs. Socks @ 35c.; 1 suit Underwear @ $2.25; 1 pr. K. Gloves, $1.50.

25. Paid our acceptance favour Norton McDonald, due to-day, by cheque.

Sold to Jos. Goldberg, 1 Worsted Suit, $12.50; 1 Boy's 3-piece Suit, $6.50; 2 Coloured Shirts @ $1.25; 1 suit Underwear @ $2.25.

26 Sold to H. E. Bond, 2 Coloured Shirts @ $1.25; 5 prs. Socks @ 35c.; 1 pr. R. Gloves, 50c.

Cash Sales, $23.20.

Received from J. Leckie, cash in payment of his note due to-day.

Remitted to Norton McDonald, a cheque for the amount of their invoice of the 17th, less discount.

Received from Barton & Manning, an invoice of Mdse., Oct. 24, 2/10, n/30, $324.25.

27. Sold to W. Newlands, 3 Ties @ 50c.; 2 pr. Cuffs @ 25c.; 1 Negligé Shirt, 75c.

Sold to D. Cameron, 3 Ties @ 50c.; 2 pr. Suspenders @ 50c.; 1 Negligé Shirt @ 75c.; 1 suit Boy's Underwear @ $1.50; 1 pr. R. Gloves @ 50c.

Received from Hume Bros., a credit note for $5.40 for goods returned from Inv. of Oct. 21.

28. Sold to F. Ackerman, 1 Boy's Overcoat, $3.25; 2 Men's Coloured Shirts @ $1.25; 1 suit Men's Underwear @ $2.25.

Received from Hume Bros., an invoice of Mdse., Oct. 27, 2/10, n/30, $99.50.

S. James requests us to renew our loan for 30 da. at the same rate. We consent to this, and the old note is cancelled and returned, and we receive a new note bearing interest at 6% for the amount of the loan.

29 Sold to John Leck [illegible]'s Sailor Suit, $3.25; 1 Boy's Overcoat, $5.25.

Cash Sales, $175.50.

Accepted Barton & Manning's draft at 10 da. from Oct. 24 for the invoice of that date, less discount.

Paid P. Ottoman for alterations to clothing, cash $4.40.

Paid for advertising for the month by cheque, $33.20.

Deposit all cheques and cash but $100, usual exchange.

31 Sold to Chas. Noxon, 1 Boy's Overcoat, $3.25 . 3 Ties @ 25c. , 1 White Shirt @ $1 . 1 suit Boy . Underwear @ $1.50

Cash Sales, $13.20

Gave Hume Bros. a cheque for Invoice of the 21st, less discount and goods returned

Paid Freight bill for the half month by cheque, $12.40

Paid Bookkeeper's salary in cash

Credit the partners in their private accounts with interest on capital for one month, and charge to interest account

Post up to date. Post totals. Close the Cash Book and bring down balances. Take off a Trial Balance. Make out the Financial Statements and close the book.

INVENTORIES

Mdse. on hand	$2316.15	*Office Furniture*	$330.00
Real Estate	6000.00	*Interest due on Mortgage*	
Insurance unexpired	27.50		

RESULTS

Net Capital, $	*Net Gain, $*	*Net Gain*
Gross Profits, $	*Gross Profits, % on Sales*	*% on Cost of Goods Sold*

THE USE OF DRAFTS

The primary use of drafts is for the collection of debts. They are used mainly through the bank. A merchant desiring to collect a debt draws a draft on his debtor in accordance with the terms of the debt, and makes it payable either to his own order or to the order of his bank, and leaves it with the bank for collection. If the draft is drawn in his own favour it must be endorsed to the bank for collection. The bank then forwards the draft to its correspondent bank in the debtor's place of business, and in due course it is presented to him for acceptance, and again for payment, or it is presented for payment only. The amount collected, less collection charges, is credited to the first bank, which in turn credits this amount, less its charges, to the drawer of the draft.

Blank forms of drafts are sometimes printed with the stub in the form of an account. The stub is then filled out with the statement of the account for which the draft is drawn, and draft and stub are forwarded through the bank to the drawee.

Toronto. Nov 1, 19—

D. CAMERON & CO.
252 Yonge St.

STATEMENT

Date	PARTICULARS	Amt
Oct 7	Goods on a/c	12 60
" 12	"	17 10
" 18	"	8 50

Total 38 20

We beg to advise having passed draft at sight *from*

Kindly honor and oblige

No. 72. $38 20 Toronto, Ont. Nov 1, 19—

At sight after date pay to the order of

The Canadian Bank of Commerce

Thirty-eight 20/100 ——— Dollars.

value received, and charge to the account of

To Mr. E. Mason
Whitby, Ont.

D Cameron Mgr

Instead of drawing a draft, the merchant might have enclosed with his statement of account a note to be signed by the debtor. Either through oversight or intentionally, the note might not be signed and returned, but except for sufficient reason, the draft presented by the bank could not be dishonoured without loss of credit.

Drafts drawn and left with the bank for collection may be entered at once in the books as if they had been accepted, or a memorandum may be made, but no entry till the bank reports the drafts accepted or collected. In any case some record of the drafts drawn should be kept, and in case a draft which has been entered is dishonoured, it should be charged back to the personal account. If a draft that has been accepted is dishonoured it should be charged back to the personal account together with any additional expenses incurred.

Drafts may be discounted at the bank instead of being left for collection, provided arrangements have been made for a "line of discount," that is, provided an understanding has been reached as to the amount of such accommodation to be granted by the bank. Such drafts should be entered in the proper books of account, and if dishonoured may be charged back to the personal account. The bank would then be charged back with the amount of interest unearned, that is, from the time the draft was charged back to the depositor's account to due date.

When the maker of a note or the acceptor of a draft is unable to pay the bill when due, an extension of time may be requested, but it is usual in such cases to renew the bill, that is, to give a new bill in place of the old one.

In renewing notes or drafts four different ways of dealing with the interest and charges may be noted, any of which may be put through the personal account.

(*a*) The new bill may be for the same amount as the old one, all charges being paid in cash.

(*b*) The new bill may be for the same amount as the old one, but may bear interest at a given rate per cent.

(*c*) The new bill may be given for the amount of the old, plus the interest for the given time and rate.

(*d*) The new bill may be drawn for such an amount that if discounted at the bank on the day on which it was drawn, the proceeds would be equal to the amount of the old bill.

EXAMPLES

1. F. Hall's note in my favour for $400 is due to-day. He cannot pay it and I agree to a renewal for one month. He pays the interest on the renewal in cash $1.75.

(*a*) My entries using the personal account:

F. Hall	401.75	
Bills Receivable		400.00
Interest		1.75

B. R. and interest charged to Acct.

Cash	1.75	
Bills Receivable	400.00	
F. Hall		401.75

Cash and B. R. to Acct.

(*b*) My entry not using the personal account:

Cash	1.75	
Bills Receivable	400.00	
Bills Receivable		400.00
Interest		1.75

B. R. in renewal of B. R., interest paid in Cash.

2. My note for $220 favour D. Wilson falls due today and I pay cash $100 and arrange a renewal of the balance for one month, the new note to bear interest at 6

(*a*) My entries using the personal account :

Bills Payable	220.00	
D. Wilson		220.00

B. R., credited to his Acct.

"

D. Wilson	220.00	
Cash		100.00
Bills Payable		120.00

Settled B. P. with Cash and B. P. on Acct

(*b*) My entry not using the personal account

Bills Payable	220.00	
Cash		100.00
Bills Payable		120.00

Settled B. P.$_1$ with Cash and B. P.

3. A. Green's note in my favour falls due today, $300. It is under discount at the bank. He cannot pay it and he has asked me to retire it and draw on him at 30 days for the amount, and include interest on the renewal $2.50. I pay the note by cheque and draw as requested

(*a*) My entries using the personal account :

A. Green	302.50	
Bank		300.00
Interest and Discount		2.50

B. R.$_1$ charged to his Acct., also interest on renewal

"

Bills Receivable	302.50	
A. Green		302.50

B. R.$_2$ on Acct

(*b*) My entry not using the personal account

Bills Receivable	302.50	
Bank		300.00
Interest and Discount		2.50

B. R.$_2$ in renewal of B. R.$_1$, and interest on renewal.

4. My note favour R. Fisher for $292 falls due today and I have arranged for a renewal for 30 days at a discount of 7 .

(*a*) My entries using the personal account :

Bills Payable	292.00	
Interest and Discount	1.86	
R. Fisher		293.86

B. P.$_1$ and Discount on renewal Credited to Acct.

"

R. Fisher	293.86	
Bills Payable		293.86

B. P.$_2$ on Acct

(*b*) My entry not using the personal account

Bills Payable	292.00	
Interest and Discount	1.86	
Bills Payable		293.86

B. P.$_2$ in renewal of B. P.$_1$, discount added

5. John Leckie owes me on account $60. His acceptance, $150, falls due to-morrow. At his request I retire his acceptance, which is under discount at the bank, and draw on him at 30 days for the amount, adding the balance of his account and interest $2.25.

(*a*) My entries using the personal account:

J. Leckie	152.25	
Bank		150.00
Interest and Discount		2.25

Retired his Acct. No. 1, and charged him interest on renewal.

Bills Receivable	212.25	
J. Leckie		212.25

B. R., on account

(*b*) My entries not using the personal account for the renewal of the acceptance:

Bills Receivable	212.25	
Bank		150.00
J. Leckie		60.00
Interest and Discount		2.25

B. R., in renewal of B. R., balance on Acct.

6. Oct. 5. Drew on R. Telfer for $365 at 30 days, and discounted the draft at the bank at 6 .

Oct. 12. The bank returns my draft of the 5th on R. Telfer dishonoured. It is charged back to my account, together with protest fee $1.50

My entries:

1. *Bank*	363.02	
Interest and Discount	1.98	
R. Telfer		365.00

Drew on R. Telfer at 30 da., and discounted the draft at the bank.

2. *R. Telfer*	366.50	
Interest and Discount		1.56
Bank		364.94

Draft on R. Telfer, Oct. 5, returned dishonoured.

EXERCISE ON DRAFTS. USE CURRENT DATES

1. K. Warden, Stratford, owes F. Taylor, Toronto, for a bill of goods, $127.50, due in 30 da. Taylor draws on him at 30 da. after date in favour of his bank (Bank of Commerce, Toronto), and leaves the draft with the bank for collection.

(*a*) Draw the draft as it will appear after the bank has had it accepted.

(*b*) Make Taylor's entry when he draws the draft.

(*c*) " " " " the bank reports the draft collected, exchange $\frac{1}{4}$.

2. D. Duncan, Kingston, orders goods from C. Clarkson, Toronto, costing $77.90, and asks him to draw at sight for the amount. Clarkson draws in favour of himself, and leaves the draft with the Molsons Bank for collection.

(*a*) Write the draft as it will appear when paid at sight by Duncan.

(*b*) Give Duncan's entry.

(*c*) Give Clarkson's entry when the draft is drawn, and when it is reported collected by the bank, exchange 15c

3. H. Stephens, Toronto, owes R. Telfer, Guelph, $177.50, and Telfer owes T. Stamford, Toronto, $200. Telfer draws on Stephens in his own favour for the amount of his account, and sends the draft together with a cheque on the Merchants Bank for the balance of his account to Stamford, who places both in the bank for collection.

(*a*) Write the cheque and the draft for Telfer. Place the necessary endorsements on them.

(*b*) Give each man's entries. Exchange 20c

4. W. Muirhead, Peterboro, owes J. Robertson, Toronto, $377.60. Robertson draws on him in his own favour at 30 da. from date, for the amount of the account, and discounts the draft at the bank on the same day at 7

(*a*) Write the draft as it appears when handed to the bank.

(*b*) Give Robertson's entries for the transaction.

5. W. M. Neil, St. Catharines, owes S. Patterson, Hamilton, for a bill of goods, $460, terms 30 da. or 3 per cent in 10 days. He requests Patterson to deduct the discount, and draw at sight for the net amount of the bill.

(*a*) Draw the draft for Patterson, making it in favour of the Standard Bank.

(*b*) Patterson leaves the draft at the bank for collection. Give his entry

6. S. H. Ewing, Brantford, buys from the M. R. Mitchell Co., Toronto, a bill of goods amounting to $750, terms $\frac{5}{10}$, $\frac{n}{30}$. Ewing requests them to draw on him at sight for half the amount of the bill, less discount, which they do, making the draft in favour of the Dominion Bank, and leaving it at the bank for collection.

(*a*) Draw the draft as it appears when handed to the bank

(*b*) The bank reports 3 days later that the draft has been collected, exchange $\frac{1}{8}$ %. Give each man's Journal entry.

7. T. R. Sims, Berlin, draws on W. C. Crawford, Toronto, at 30 days after date for $217.20, making the draft in his own favour. He at once endorses it in full, and remits it to R. S. Campbell, Toronto, on account. Campbell receives the draft, and 5 days after the date of it, discounts it at the bank at 8%.

(*a*) Write the draft as it appears when handed to the bank

(*b*) Give Crawford's entry and Campbell's

8. W. J. Hughes, Chatham, draws on R. W. Cuthbert, London, in his own favour at 60 da. after sight for $399.40. He endorses the draft in full, and remits it to T. Scott & Co., London, to apply on account. Scott has the draft accepted 4 days after it is drawn, and immediately discounts it at his bank at 7%, proceeds credited.

(*a*) Write the draft as it appears when handed to the bank

(*b*) Give Cuthbert's and Scott's entries

9. On Nov. 30 you render statements of account as follows: T. Marsh, $221.50; J. Morrison, $169.20; R. Campbell, $335.60. You draw at 3 days' sight on each of them in your own favour, and leave the drafts with the Dominion Bank for collection. Six days later they report having made the collection, exchange $\frac{1}{8}$%, proceeds credited.

(*a*) Draw the first draft as it appears when paid.

(*b*) Make the entry when the drafts have been collected.

10. Geo. Keith's note in my favour for $275 falls due to-day. He cannot pay it and he asks to have it renewed for 30 days, agreeing to pay interest at 6 per cent.

(*a*) Write the note given in renewal so that it would bear interest at 6% till paid.

(*b*) Make my Journal entry.

11. S. Meakins holds my note for $199.60 in his favour, due to-day. I am unable to pay, and I ask to have it renewed for one month, the new note to cover the old one and interest at 7% for the time of renewal.

(*a*) Write the new note.

(*b*) Make my Journal entry.

12. F. W. Fearman holds a note for $216.30, made by S. Proctor in Fearman's favour, and due to-day. Proctor asks to have the note renewed for 2 months, the new note to cover the amount of the old one and discount at 6% on the new note.

(*a*) Write the new note.

(*b*) Make each man's Journal entry.

13. E Curry holds a note for $177.50 drawn by M. Patterson in his favour at 30 days, with interest at 6%, and due to-day. Patterson asks to renew for one month, and this is arranged for, the new note being drawn to cover the $177.50 and interest to date, together with discount at 6% on the renewal.

Give each man's Journal entry

14. C. E. Hoffman's note favour J. Shantz for $266.90 falls due to-day. He cannot pay in full, and Shantz agrees to accept a cheque for $66.90, and a new note for the balance at 30 days with interest at 6 per cent.

(*a*) Write the new note to bear interest at 6 per cent. till paid.

(*b*) Make each man's Journal entries.

15. A McArthur's acceptance for $315.90 at 30 da., favour J. B. Armstrong, falls due to-day. Armstrong agrees to draw at one month from date for $200, and McArthur is to pay the balance of the old acceptance and interest at 7% on the new one in cash.

(*a*) Write the new draft and accept it.

(*b*) Make each man's Journal entries

16. K Rutherford owes D. Waldron on acct. $75, and on his acceptance due to-day $325. Rutherford cannot meet his acceptance, and Waldron agrees to take a new acceptance to be drawn at 30 days from to-day, and to include the amount of the account, the amount of the old acceptance, and interest at 6% for 33 days on the amount of the old acceptance.

Make each man's Journal entries, using the personal accounts.

17. C. Norton's note favour D. Macdonald for $275 falls due 3 days hence at the Merchants Bank. Norton cannot meet the note, and he arranges with Macdonald to have the note retired. Macdonald pays the old note by cheque and returns it to Norton, who forwards a new note at 2 months, including the amount of the old one and interest at 7% for the 2 months

Make each man's Journal entry

18. John Smith received from Wm. Hastings a note at 3 months from June 30, for $460. On July 16, Smith discounted the note at the Standard Bank at 7%, and deposited the proceeds.

At maturity Hastings cannot pay the note, and Smith is obliged to retire it, which he does by cheque. He then draws on Hastings at 2 months for the amount of the old note and interest at 7% for the time of the renewal, and discounts it at his bank, depositing the proceeds.

Make each man's Journal entries.

19. H. Adams owes you for a bill of goods, $350. You draw on him at 10 days for the amount, less 3% cash discount, and discount the draft at the bank at 7%, exchange $\frac{1}{8}$%. Four days later the draft is returned to you dishonoured, and is charged back to you by the bank, less the discount for the remaining 9 days.

Make your Journal entry

20. C. Hall owes you on acct. $150, and you hold a note against him for $425 at 30 days, with interest at 6%. The note falls due to-day and is permitted to go to protest. You pay the protest fee in cash, $1.09. Hall fails, paying 75 cents on the dollar, and you receive a cheque in settlement of his indebtedness to you

Make your Journal entry.

21. Dec. 1. You render statements of accounts as follows: R. Waldron, $75.60; C. James, $64.20; F. Smith, $121.30; D Pollock, $92.20. You draw at 30 da. from Dec. 1 for these amounts and discount the drafts at the bank at 7%, exchange 45c. Dec. 5 the draft on C. James is returned to you dishonoured, and on Dec. 7 the draft on D. Pollock is also returned dishonoured, both having been charged back to your account by the bank. Dec. 31, you make a statement to the bank of the overcharge of interest, and receive credit for the amount. Make your Journal entries.

THE BILL BOOK AS A PRINCIPAL BOOK

When the Bill Book is used as a principal book, it is not necessary to keep an account in the Ledger for Bills Receivable or Bills Payable. These accounts may, however, be kept and the totals of the Bill Book posted to them, from Bills Receivable Book to the debit side of Bills Receivable account and from Bills Payable Book to the credit side of Bills Payable account. Special columns may then be kept in the Cash Book, on the debit side for Bills Receivable, and on the credit side for Bills Payable; and the totals of these columns should be posted to the credit side of the Bills Receivable account and the debit side of Bills Payable account respectively.

In the case of renewal of notes where the new note covers the old note and interest, an entry would have to be made in the Journal for the interest; thus, Bills Receivable would be made Debit; Int. and Disc. Credit for the amount of the interest, and the Bills Receivable side of the entry would be checked with the letter "B" to prevent double posting.

EXERCISE ON BILL BOOK AS A PRINCIPAL BOOK

Rule a Cash Book with special columns on the debit side for Bank Cr. and Int. and Disc. Cr., and on the credit side for Bank Dr. and Int. and Disc. Dr.; also rule a Bill Book to be used as a principal book, and enter the following transactions:

Feb. 1 P. W. Miller begins business with cash on hand, $360, on deposit in the Merchants Bank, $2960, a note for $260 made Jan. 10, at 30 da., by L. Moor, in Miller's favour, an accepted draft for $320 drawn on C. Smith, Jan. 5, at 1 mo., by L. Johnston in his own favour and endorsed to P. W. Miller; a note made by P. W. Miller, Jan. 15, at 1 mo., for $185, in favour of C. Hooper; a draft drawn by F. Sinclair in his own favour, Jan. 25, at 15 da. sight, for $275, and accepted by P. W. Miller, Jan. 28.

2. Drew the following drafts on acct.: On H. Hall for $160, at 30 da., payable at the Merchants Bank; on F. Lorne, for $77.50, at 60 da., and on G. Sherman for $66.30 at 10 da. Accepted the following drafts on acct.: by G. Gray, in his own favour, for $126.10, at 30 days' sight; by R. Jones, favour S. Small, for $210 at 30 da. from Feb. 1.

Discounted for S. White his draft for $328.50, at 30 da. from Jan. 20, drawn on K. Reid in his own favour and endorsed to P. W. Miller. Rate of discount 6%. Proceeds paid by cheque.

8. C. Smith is unable to pay his acceptance due to-day, and we arrange to renew it for him for 30 da. He accepts our draft for $320 at 30 da. from to-day, and pays the interest on it at 6% in cash.

Discounted at the bank at 7% the draft drawn on H. Hall on the 2nd. Proceeds deposited

12. Drew the following drafts on acct.: on G. Sherman for $73.10, at 10 da.; on F. Lorne for $82.30, at 30 da.; both payable at the Merchants Bank

Accepted drafts as follows: by G. Gray, in favour of P. Winters, for $135.60, at 10 da. from to-day; by R. Jones, in his own favour, for $97.20, at 20 da. from to-day

Discounted at 8% J. Fisher's note at 2 mo. from Feb. 12, for $292. Proceeds paid by cheque

15. Received from G. Sherman his cheque in payment of his acceptance due to-day

My acceptance favour F. Sinclair falls due to-day and I have arranged to renew it. I give him my note at 1 mo. for $275 and pay the interest at 6% on the renewal in cash.

18. Paid my note favour C. Hooper due to-day, by cheque.

Sold to D. James, a town lot for $325, and received his note at 1 mo. in full payment

22. Received from K. Reid, his cheque to cover his acceptance due to-day

Accepted R. Webster's draft for $88.20 at 30 da. in his own favour.

25. Remitted to P. Winters, my cheque in payment of my acceptance due to-day.
Received from G. Sherman, his cheque in payment of his acceptance due to-day.
Discounted at the bank at 6 C. Smith's acceptance of the 8th, for $320. Proceeds credited
28 Prepaid by cheque my acceptances due Mar. 6, $210, and Mar. 7, $97.20. Rate of discount 6
Post from both books and take off a Trial Balance. Close the Cash Book and bring down the balances

C. O. D. SALES

Goods are sometimes sold to be paid for at the time of delivery. The simplest instance of this is where the driver of the delivery wagon collects the money when he delivers the goods, and hands it in to the office upon his return.

When goods are sold to be delivered at outside points, they may be sent either by express or by freight. If sent by express the companies will, through their agent, collect the price of the goods upon delivery, and return the amount to the shipper, charging a commission as the banks do for such collection.

If the goods are sent by freight, the collection is made in a slightly different manner. The invoice is sent to the purchaser in the usual way, but the shipping receipt or bill of lading does not accompany it. The shipping receipt is made out to the order of the bank, a sight or demand draft is drawn for the amount of the invoice, and this also is made out to the order of the bank. The draft is attached to the shipping receipt, and handed over to the bank for collection. The bank then endorses both documents, and forwards them to its correspondent in the purchaser's place of business. Upon receipt of the papers this bank sends notice to the purchaser, who comes to the bank, pays the sight draft and receives the shipping receipt which gives him access to the goods. Without the receipt the company will not deliver the goods, consequently they must be paid for before they will be handed over to the purchaser.

Sales made in this way may be regarded as cash sales, and entered either with the cash sales for the day or in a separate entry, the entry being for those sales only for which the returns have been received.

Especially if some time elapses between the shipment of the goods and the receipt of the returns, it becomes very important that a reliable record of such shipments should be kept. A convenient way of doing this is to open a "C. O. D." account in the Customers' Ledger, and enter all such sales at the time of shipment, crediting for the payment when the returns are received. For this purpose the usual Ledger ruling is more convenient, for then the name is entered in the explanation column on the debit side, the credit entry is made directly opposite, and the account shows on the face of it which bills have been paid. The ruling of the Customers' Ledger may be used, but the bills should then be checked out as paid, since the credit entry would not be directly opposite the debit entry for the same sale.

Where there is a cash discount to be allowed it should be deducted on the invoice, and the entry made and the draft drawn for the net amount, or the entry may be made for the full amount, and a cash book entry made at once for the discount, the net amount being entered through the Cash book when the returns are received. In any case, the discount should be deducted on the invoice, and the draft drawn for the net amount

NOTE. The shipping receipt and the draft are sometimes made out to the order of the shipper. In this case they must be endorsed to the order of the bank before being handed over.

EXERCISE

1. Toronto, Nov. 2, '9 . Sold to J. D. Simpson, Collingwood, C. O. D., a bill of goods amounting to $77.50. Drew on him at sight in my own favour, attached the draft to the bill of lading, endorsed both the draft and the bill of lading to the Merchants Bank, and left them with the bank for collection. The Merchants Bank collects the draft through the Bank of Toronto at Collingwood, each bank charging 10 cents exchange. On Nov. 9, the Merchants Bank reports the draft collected and credited, less exchange

(*a*) Write the draft as it appears when handed to J. D. Simpson at Collingwood

(*b*) Make my Journal entries

2. Toronto, Nov. 5, 19—. Sold to R. Miller, Kingston, C. O. D., less 3 %, Mdse. $127.40. Drew on him at sight in favour of the Metropolitan Bank, attached the draft to the bill of lading which I endorse to the bank, and left with the bank for collection. The Metropolitan Bank collects the draft through the Bank of Montreal at Kingston, each bank charging 15 cents exchange. On Nov. 12 the bank reports the draft collected and credited, less exchange.

(*a*) Write the draft as it appears when handed to R. Miller at Kingston

(*b*) Make my Journal entries.

MONTHLY TRIAL BALANCE

In order to keep the books in balance, and avoid a tedious delay while the work of a long period is being searched for some error, it is found advisable to take a Trial Balance once a month. Books are prepared for the purpose, having columns for thirteen trial balances, so that the names need be written but once during the year. The last column is intended for use after the books have been closed, and before any of the work of the new year has been entered. In large houses separate ledgers are kept for the personal accounts, and adding machines are used to obtain the totals of the balances of these accounts, and these totals are then entered in the trial balance as "Accounts Receivable" and "Accounts Payable."

FORM OF MONTHLY TRIAL BALANCE

MONTHLY TRIAL BALANCE, JANUARY TO MARCH, 19

Folio	Ledger Accounts	January		February		March	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1	*Cash*	1725		1101			
2	*Bills Receivable*	1400		1500			
3	*Accounts Receivable*	2650		3111		3[illegible]	
4	*Mdse. Purchases*	7500		8500	53 10		
5	" *Sales*		7000	1900	1112		
6	" *Inventory*	4000		5800			
7	*In freight*	3		4			
8	*Discount on Purchases*		62 50		80		
9	" " *Sales*	5		7			
10	*Rent*	90					
11	*Insurance*	25		22 50			
12	*General Expense*	350		270			
13	*Bills Payable*		850		2000		1[illegible]
14	*Accounts Payable*		1750		980		4[illegible]
15	*J. Frost (Cap. Acct.)*		7500		4250		2[illegible]
	February						
16	*Office Furniture*						
17	*Interest and Discount*						
	March						
18	*Bad Debts*						
	Totals	17884 50	17884 50	18511 40	[illegible]		

SET III

JOBBING FURNITURE

SPECIAL FEATURES. Practice on the use of drafts. The use of the Bill Book as a Principal Book. The monthly Trial Balance. C.O.D. Account.

INSTRUCTIONS

1. BOOKS TO BE USED. General Journal, Purchase Journal (Register), Sales Journal, Cash Journal, Bill Journal, General Ledger, Sales Ledger.

The Cash Book is to be ruled with special columns on the debit side for Discount off Purchases Cr. and Bank Cr., and on the credit side for Discount off Sales Dr., Expense Dr., and Bank Dr.

In posting to all personal accounts, enter terms of purchase or sale, and on the opposite side of the account enter charges or credits, whether discount, rebate, cash, note at ... da., etc.

2. The Bill Book is to be used as a principal book. Post from it to contra accounts in the Ledger, but do not open Ledger accounts for Bills Receivable or Bills Payable.

3. Post the Freight and the totals of the Discount columns directly to the Mdse. Purchases and Sales accounts.

4. Take off a Trial Balance at the end of each week during the first month, and after closing the books. In the second month take the Trial Balance only at the 17th and at the end of the month as indicated.

DIRECTORY

Abbott, A. W., Port Hope.
Andrews, M., Kincardine.
Dixon, J., Brighton.
Dominion Furniture Manufacturers, Toronto.
Gordon, K., Peterborough.
Gough, C. H., Hastings.
Hammond, W. J., Trenton.
Johnston, D. E., Napanee.
Malcolm, W. C., Belleville.
Mundell, A. C., Ashburnham.
McKinnon & Cole, Woodstock.
Oliver, J. S., Norwood.
Rhodes, James, Fr ...ser.
Rogers, C. D., Lakefield.
Sanford & Co., Chas., Harriston.
Steele, W. H., Havelock.
Thompson Furniture Co., The, Ingersoll
Waldron, R., Lindsay
Walker, R. M., Havelock
All others, Peterborough

LEDGER LINES

SALES LEDGER. Four pages. Open 4 accounts on a page as in Set II.

GENERAL LEDGER. Open accounts as follows, three on a page, except as otherwise directed: M. Andrews, the Thompson Furniture Co., Chas. Sanford & Co., Dominion Furniture Manufacturers, McKinnon & Cole, R. J. Stephen (Cap. Acct.), R. J. Stephen (Priv. Acct.), D. M. Warner (Cap. Acct.), D. M. Warner (Priv. Acct.), Merchandise Purchases (1 p.), Merchandise Sales (1 p.), Merchandise Inventory (½ p.), Salaries (½ p.), Expense (1 p.), Office Furniture, Interest and Discount, Horse and Wagon, Bad Debts, Loss and Gain (½ p.).

Peterborough, Nov. 1, 19 – . R. J. Stephen and D. M. Warner are partners in a Jobbing Furniture business at 77 George St., under the firm name of Stephen and Warner. By their agreement each receives a salary of $100 a month, and they then share net gains and losses in proportion to

capital invested, ⅔ of which belongs to Stephen, ⅓ to Warner. The store is rented from D. K. McLaren at $90 a month, payable in advance. You are engaged as bookkeeper at $12.50 a week; you are furnished with the following data and directed to open a set of new books to be kept by Double Entry. Mdse. on hand, $1644.35; Cash on hand, $200; Cash on deposit, $800; a draft drawn on C. D. Rogers, Oct. 5, at 30 da., for $78.50; a draft drawn on James Rhodes, Oct. 7, at 30 da., for $92.10. Accounts Receivable: K. Gordon, $125.60; C. D. Rogers, $77.60; J. S. Oliver, $166.20; A. C. Mundell, $98.60; W. J. Hammond, $88.70; R. Waldron, $115.30; James Rhodes, $69.20. Bills Payable: No. 1, a draft favour C. Sanford & Co., Oct. 2, at 1 mo., for $215.60; No. 2, a draft favour M. Andrews, Oct. 10, at 30 da., for $166.20. Accounts Payable: favour the Dominion Furniture Manufacturers, $175.60, and the Thompson Furniture Co., $137.20.

Make the necessary opening entries, post, and take off a Trial Balance.

2. Engaged Mary Walker as stenographer at $7.50 a week.

Bought from the Canada Furniture Co. an invoice of Office Furniture, $47.50. Gave cheque in payment.

Paid the rent for November by cheque.

Sold to K. Gordon, $\frac{3}{10}$, $\frac{7}{30}$, 6 Arm Chairs # 381, @ $3.85; 15 Dining Room Chairs # 38, @ $2.50; 4 Kitchen Cupboards @ $7.50.

3. Paid insurance premium by cheque, $16.85.

Drew the following drafts: on K. Gordon at 30 da. from Oct. 21 for bill of that date, $125.60; on C. D. Rogers at 20 da. from Oct. 23 for bill of that date, $77.60; on J. S. Oliver at 30 da. from Oct. 22 for bill of that date, $166.20; on A. C. Mundell at 10 da. from Nov. 1 for the balance of his acct., $98.60; on James Rhodes at 15 da. from Nov. 1 for the balance of his acct., $69.20.

Discount the drafts on J. S. Oliver and on K. Gordon at the bank at 7%, and leave the other drafts at the bank for collection. Enter all in the Bill Book.

Sold to C. D. Rogers, 20 da., 4 Bedroom Suites, # 272, @ $15.95; 10 Spring Mattresses, # 2, @ $3.20.

Sold to W. C. Malcolm on acct., 4 Chiffoniers, # 191, @ $15.70; 6 China Cabinets, # 25, @ $21.50.

4. Received from M. Andrews, an invoice of Mdse., Nov. 2, $\frac{2}{10}$, $\frac{7}{30}$, $357.30.

Accepted the Dominion Furniture Manufacturers' draft at 10 da. from Oct. 28 for the amount of the bill of that date, less 2%, $175.60.

Sold J. S. Oliver, sight draft in 5 da., less 3%, 3 Brass Bedsteads, # 201, @ $24.75; 6 Spring Mattresses, # 2, @ $3.20; 4 Morris Reclining Chairs, # 145, @ $6; 4 Music Cabinets, # 49, @ $9.

5. Bought from C. R. Henry, a horse, harness and delivery wagon for $375. Gave cheque in payment.

Engaged Wm. Harvey as driver at $10 a week. He begins work on Monday, the 7th.

Sold to W. J. Hammond on acct., 6 Combination Mattresses, # K7, @ $4.20; 2 Oak Wardrobes, # 308, @ $22; 3 Oak Dressers, # 301, @ $7.

Accepted, payable at our bank, M. Andrews' draft favour the Merchants Bank, Kincardine, at 10 da. from Nov. 2 for the bill of that date, less discount.

Remitted to C. Sanford & Co., a bank draft purchased by cheque for the amount of our acceptance in their favour due to-day. Exchange ¼%.

Deposit all cheques on hand. Close Cash Book. Post up to date, including totals in special books and in special columns.

7. Received from C. D. Rogers, his cheque for the amount of his acceptance due to-day.

Remitted to the Thompson Furniture Co., a cheque for the amount of their bill of Oct. 29, $137.20, less 2½%.

Sold to R. Waldron, $\frac{4}{10}$, $\frac{6}{30}$, 6 Jardiniere Stands, #391, @ $1.20; 4 Morris Rockers, #791, @ $7.20; 4 Parlour Tables, #458, @ $5.60; 6 Rattan Rockers, #R46, @ $3.85.

Sold to James Hall, Trenton, C.O.D., 4 Oak Bookcases, #338, @ $7.50; 4 Writing Desks, #67, @ $6.75. Charge this to the C.O.D. acct. in the Sales Ledger.

8 Received from Chas. Sanford & Co., an invoice of Mdse., Nov. 5, sight draft in 5 da., less 3%, $135.40.

Paid J. Clark by cheque, for repairs done to the warehouse, $25.50.

Sold to W. C. Malcolm on acct., 2 Oak Sideboards, #375, @ $25.80; 2 Oak Dining Tables, #374, @ $7.20.

Sold to A. C. Mundell, $\frac{3}{10}$, $\frac{1}{30}$, 3 Kitchen Cupboards, #571, @ $8.50; 4 Kitchen Cabinets, #302, @ $14.50; 6 Kitchen Tables @ $2.35.

9 Received from James Rhodes, a cheque for the amount of his acceptance due to-day.

Paid Freight bill to date by cheque, $25.20.

R. J. Stephen and D. M. Warner each withdrew cash $20.

Sold to W. J. Hammond on acct., 2 Child's Brass Cots, #207, @ $10.15; 2 Davenport Sofa Beds, #99, @ $22; 4 Oak Washstands, #302, @ $3.10.

Received from the Dominion Furniture Manufacturers, an invoice of Mdse., Nov. 8, $\frac{2}{10}$, $\frac{1}{30}$, $435.70.

The bank presents C. Sanford's sight draft for bill of the 5th, less 3%. We pay the draft by cheque.

Drew on J. S. Oliver at sight for the bill of the 4th and left with the bank for collection. Make no Cash Book entry till the bank reports collection.

10 Sold to K. Gordon, $\frac{3}{10}$, $\frac{6}{30}$, 2 Oak Buffets, #351, @ $27; 2 Parlour Cabinets, #470, @ $9.25.

Remitted to M. Andrews, a bank draft purchased by cheque for the amount of our acceptance due on the 12th. Exchange $\frac{1}{2}$%.

Paid by cheque our acceptance favour the Dominion Furniture Manufacturers, due to-day.

11 Received from the Thompson Furniture Co. an invoice of Mdse., Nov. 9, $\frac{2}{10}$, $\frac{6}{30}$, $149.65.

The Express Company has handed us a cheque for the amount of our C.O.D. shipment on the 7th to James Hall, less collection charges 25 cents.

Received from K. Gordon, a cheque for the amount of our sale to him on the 2nd, less discount.

Sold to R. Waldron, $\frac{3}{10}$, $\frac{6}{30}$, 2 Parlour Suites, #454, @ $20.50; 6 Morris Reclining Chairs, #145, @ $6.

Sold to C. D. Rogers, S D in 5 da., less 3%, 6 Arm Chairs, #38, @ $3.85; 4 Morris Reclining Chairs, #145, @ $6; 4 Rattan Rockers, #R46, @ $3.85.

12. The bank reports the draft drawn on J. S. Oliver on the 9th collected: proceeds credited, less exchange $\frac{1}{2}$%.

Sold to W. C. Malcolm on acct., 2 Oak Dressers, #301, @ $7; 2 Oak Washstands, #302, @ $3.10; 3 Music Cabinets, #49, @ $9.

Deposit all cheques on hand. Close the Cash Book. Post up to date.

14. Sold to J. S. Oliver, $\frac{3}{10}$, $\frac{6}{30}$, 2 Oak Wardrobes, #308, @ $22; 2 Oak Sideboards, #375, @ $25.80; 3 Parlour Cabinets, #470, @ $9.25; 2 Davenport Sofa Beds, #99, @ $22.

A. C. Mundell sends us a cheque for $75 to apply on his acceptance due to-day, and asks us to draw on him at 30 da. from the 8th, for the amount of the bill of that date, and to include the balance of the acceptance due to-day and interest on this balance at 7% for the time still to run in the new draft. We consent to this arrangement and draw the draft accordingly.

15 Paid a Telephone Bill in cash, $3.50.

Received from C. D. Rogers, his cheque for the amount of his acceptance due to-day.

Received from Chas. Sanford & Co., an invoice of Mdse., Nov. 12, S D in 5 da., less 3%, $192.50.

Paid by cheque our acceptance favour M. Andrews due to-day.

Sold to K. Gordon, $\frac{2}{10}$, $\frac{8}{30}$, 2 Parlour Suites, # 454, @ $20.50; 3 Chiffoniers, # 191, @ $15.70; 4 Spring Mattresses, # 2, @ $3.20.

10. Paid the Dominion Furniture Manufacturers by cheque for bill of the 5th, less discount.

The bank presents C. Sanford & Co.'s sight draft for their bill of the 12th, less discount. We pay it by cheque.

Received from R. Waldron, his cheque for the amount of the bill of the 7th, less 3%.

Drew at sight on C. D. Rogers for the amount of the bill of the 11th, less discount, and left with the bank for collection.

Drew on W. C. Malcolm at 15 da. from Nov. 15 for the amount of his purchases on the 3rd, 8th, and 12th; also on W. J. Hammond at 15 da. from Nov. 15 for the amount of his purchases of the 5th, 9th, and 15th, and left the drafts with the bank for collection.

Paid freight bill to date by cheque, $9.30.

Sold to W. H. Steele, S.D. with B.L., 2 Bedroom Suites, # 272, @ $45.95; 2 China Cabinets, # 2, @ $21.50; 4 Morris Reclining Chairs, # 145, @ $6; 6 Rattan Rockers, # R46, @ $3.85; 6 Arm Chairs, # 381, @ $3.85. We drew on him at sight for the amount of this sale, attached the sight draft to the bill of lading, and left it with the bank for collection. The goods are shipped by freight. Charge this to W. H. Steele through the C.O.D. account.

Paid all salaries to date in cash. Charge to salaries account.

17. Sold to A. C. Mundell, $\frac{3}{10}$, $\frac{5}{30}$, 3 Brass Bedsteads, # 201, @ $24; 4 Spring Mattresses, # 2, @ $3.20; 4 Dining Tables, # 374, @ $7.20; 18 Dining Room Chairs, # 38, @ $2.50.

Remitted to the Thompson Furniture Co. a bank draft, purchased by cheque for the bill of the 9th, less discount. Exchange $\frac{1}{4}$%.

18. Paid in cash R. Gibson's bill for horsefeed: 1 ton Hay, $15.20; 10 bu. Oats, @ [illegible].

Sold to W. C. Malcolm on acct., 2 Writing Desks, # 67, @ $6.75; 3 Parlour Tables, # 458, @ $[illegible].

Received from M. Andrews, an invoice of Mdse., Nov. 16, $\frac{2}{10}$, $\frac{1}{30}$, $311.05.

James Rhodes paid by cheque his acceptance due to-morrow.

We have just received notice that A. C. Mundell has failed, and we at once request the Railway Co. not to deliver the goods shipped to him yesterday.

19. Received from the Dominion Furniture Manufacturers, an invoice of Mdse., Nov. 18, $\frac{2}{10}$, [illegible], $260.55.

The bank reports the draft on C. D. Rogers of the 16th collected, and proceeds credited, less exchange 10 cents; also the amount of the C.O.D. sale to W. H. Steele of the same date collected and credited, less exchange $\frac{1}{8}$%.

Sold to R. Waldron, $\frac{3}{10}$, $\frac{5}{30}$, 4 Buffets, # 351, @ $27.

Sold to C. D. Rogers, S.D. in 5 da., less 3%, 2 Oak Sideboards, # 375, @ $25.80; 2 Dining Tables, # 374, @ 7.20; 18 Dining Room Chairs, # 38, @ $2.50.

Deposit all cheques on hand.

Post, close the Cash Book.

21. Received from K. Gordon, his cheque for the amount of the sale of the 10th, less discount.

Accepted the Dominion Furniture Manufacturers' draft at 10 da. from Nov. 18, for the amount of the bill of that date, less discount.

The Railway Co. has delivered to us the goods shipped on the 17th to A. C. Mundell. We pay the freight bill by cheque, $12.50. Charge this to Mdse. Sales.

Sold to W. J. Hammond on acct., 2 Music Cabinets, # 49, @ $[illegible]; 6 Jardinière Stands, [illegible] @ $1.20.

22 Received from R. Waldron, his cheque for the amount of the sale of the 14th, less discount

Sold to J. S. Oliver, $\frac{2}{10}$, $\frac{5}{30}$, 2 Morris Rockers, # 791, @ $7.20 ; 4 Arm Chairs, # 384, @ $3.85 ; 2 Oak Buffets, # 351, @ $27 ; 3 Rattan Rockers, # R46, @ $3.85

Received from Chas. Sanford & Co., an invoice of Mdse., Nov. 19, 8 D in 5 da., less 3 % $320.80

23 Drew on C. D. Rogers at sight for the net amount of the sales of the 3rd and 19th, less discount on the bill of the 19th

R. J. Stephen and D. M. Warner withdrew each $35 by cheque

Sold to K. Gordon, $\frac{2}{10}$, $\frac{5}{30}$, 4 Oak Wardrobes, # 308, @ $22 ; 3 Music Cabinets, # 49, @ $9

Paid freight bill to date by cheque, $22.40

Received from J. S. Oliver, his cheque for the amount of the sale of the 14th, less discount

At a meeting of the creditors of A. C. Mundell it was agreed to accept 40 cents on the dollar. Charge the acceptance we hold against him to his account, and write off 60 per cent. of the account, charging it to Loss and Gain

Note. This may be charged to Bad Debts account if desired

The bank presents Chas. Sanford's sight draft for the amount of the invoice of the 19th, less discount

24 Received from the Thompson Furniture Co., an invoice of Mdse., Nov. 23, $\frac{2}{10}$, $\frac{1}{30}$, $140

Paid the City Coal Co. by cheque for 2 tons Coal @ $7.

Received from K. Gordon, his cheque for the amount of the sale of the 15th, less discount

Sold to W. C. Malcolm on acct., 4 Book Cases, # 338, @ $7.50 ; 7 Arm Chairs, # 384, @ $3.85 ; 5 Morris Reclining Chairs, # 145, @ $6

25 Sold to W. Hodgson, Tweed, C.O.D., 3 Iron Bedsteads, # 137, @ $5.25 ; 5 Combination Mattresses, # K7, @ $1.20 ; 2 Parlour Cabinets, # 470, @ $8.25 ; 4 Parlour Tables, # 458, @ $5.10.

Sold to J. Dixon, Brighton, C.O.D., 3 Oak Dressers, # 301, @ $6.25 ; 5 Oak Dining Tables, # 374, @ $7.20 ; 7 Rattan Rockers, # R46, @ $3.85 ; 4 Music Cabinets, # 49, @ $9

Drew on W. Hodgson and J. Dixon for the amount of the foregoing sales, attached the drafts to the bills of lading and left them with the bank for collection

26 Sold to R. Waldron, $\frac{3}{10}$, $\frac{5}{30}$, 2 China Cabinets, # 25, @ $21.50 ; 2 Chiffoniers, # 191, @ $15.70

Deposit all cheques and sight drafts on hand. Post up to date. Close the Cash Book

28 Sold to W. J. Hammond on acct., 3 Writing Desks, # 67, @ $6.75 ; 5 Morris Reclining Chairs, # 15 @ $6

Sold to K. Gordon, $\frac{3}{10}$, $\frac{5}{30}$, 7 Parlour Tables, # 458, @ $5.60 ; 9 Jardiniere Stands, # 391, @ $1.20.

29 Sold to W. C. Malcolm on acct., 2 Oak Wardrobes, # 308, @ $22 ; 5 Morris Rockers, # 791, @ $7.20.

Received from the Dominion Furniture Manufacturers, an invoice of Mdse., Nov. 26, $\frac{2}{10}$, $\frac{1}{30}$, $145

Accepted their draft at 10 da. from Nov. 26 for the amount of the bill, less discount.

30 We have to-day received a marked cheque for 40 cents on the dollar, in full of our account with A. C. Mundell as per agreement of creditors. Close his account

Received from R. Waldron, his cheque for the amount of the sale to him on the 19th, less discount. The cheque is a day late, but we allow the discount

Paid by cheque the bill of "The Peterboro Times" for advertising for the month, $14.60

The bank reports that the drafts on Hodgson and Dixon on the 25th have been collected and credited, less exchange.

Paid salaries to date by cheque

Paid freight bill to date, $8.25, in cash.

Credit the partners with their salary for the month in their private accounts, and charge to Salaries Acc't.

Deposit all cheques on hand. The bank charges $3 interest on the overdraft.

Post up to date. Close the Cash Book. Take a Trial Balance. Make out the Financial Statements. Close the books, bringing down all balances ready to begin the work of the next month; then take another Trial Balance. Close Loss and Gain Account to the Private Account. Close the Private Accounts and bring down the balances. Do not close Capital Account.

INVENTORIES

Mdse. on hand	$ [illegible]
Horse and Wagon	[illegible]
Office Furniture	[illegible]
Insurance paid in advance	[illegible]

TRANSACTIONS FOR DECEMBER

December 1. Issued statements of account to W. C. Malcolm and W. J. Hammond, and drew on them at 15 da. from Dec. 1 for the balance due. Discounted the drafts at the bank at 7%, proceed credited. Enter through the Bill Book. Paid the rent for December by cheque.

Paid by cheque the Dominion Furniture Manufacturers' draft for the bill of the 18th, due to-day.

Remitted to the Thompson Furniture Co. a bank draft purchased by cheque for the amount of their bill of Nov. 23, less discount. Exchange ¼%.

Each partner deposits $500 as re-adjustment to his investment.

Sold to C. D. Rogers, 3/10 3/20, 12 Arm Chairs, #381, @ $3.85; 3 Chiffoniers, #191, @ $15.70; 4 Kitchen Cupboards, #571, @ $8.50.

2. Sold to J. S. Oliver, draft at 15 da., less 1%, 6 Morris Reclining Chairs, #145, @ $6; 4 Oak Dressers, #301, @ $7.

3. Received from M. Andrews, an invoice of Mdse., Nov. 29, 2% 10, n/30, $252.20.

Drew on J. S. Oliver at 30 da. from Nov. 22 for the amount of the bill of that date, and left with the bank for collection.

Paid J. Henderson & Co. by cheque for a bill of stationery, $15.60.

Post up to date, but do not post totals nor close the Cash Book.

5. The bank reports the drafts on W. C. Malcolm and W. J. Hammond, Nov. 15, collected and credited, less exchange.

Sold to R. Waldron, 3/10, n/30, 2 Parlour Suites, #454, @ $20.50; 4 Oak Sideboards, #375, @ $25.80; 6 Jardiniere Stands, #391, @ $1.20; 24 Dining Room Chairs, #38, @ $2.50.

Drew on J. S. Oliver at 15 da. from Dec. 2 for the bill of that date, less 1%, and left the draft with the bank for collection.

6. C. D. Rogers has returned 4 of the Arm Chairs from his purchase of the 1st, and we give him credit. Charge Mdse. Sales through the General Journal.

Sold to K. Gordon, draft at 15 da., less 2%, 2 Bedroom Suites, #272, @ $17.95; 4 Brass Bedsteads, #201, @ $24.75; 7 Morris Rockers, #791, @ $7.20.

Received from R. Waldron, cheque for the amount of the sale to him Nov. 26, less [illegible].

7. Received from the Thompson Furniture Co. an invoice of Mdse., Dec. 3, draft at 15 da., less 2%, $177.50.

Paid freight bill to date by cheque, $12.

Received from K. Gordon, his cheque for the amount of his purchase of Nov. 28, less discount.

Sold to D. E. Johnston, 3/10, n/30, 6 Arm Chairs, # 381, @ $3.85 ; 4 Morris Reclining Chairs, # 145, @ $6 ; 3 Morris Rockers, # 791, @ $7.20 ; 5 Rattan Rockers, # 350, @ $3.85.

Drew on K. Gordon at 30 da. from Nov. 23 for the amount of the bill of that date, also at 15 da. from Dec. 6 for the amount of the bill of that date, less 2%, and left both drafts with the bank for collection

Accepted the Thompson Furniture Co.'s draft at 15 da. from Dec. 3 for the amount of the bill of that date, less discount.

9. Paid by cheque our acceptance favour the Dominion Furniture Manufacturers, due to day.

Upon unpacking the furniture received from the Thompson Furniture Co. on the 7th, 4 Parlour Tables were found to be defective, and we have returned them and charged them to their account at invoice price, $5 10 each. Credit Mdse. Purchases.

Sold to W. J. Hammond on acct., 2 Davenport Sofa Beds, # 99, @ $25 ; 4 Oak Wardrobes, # 302, @ $3 10 ; 2 Sideboards, # 375, @ $25.80 ; 2 Writing Desks, # 67, @ $6.75.

10. Received from Chas. Sanford & Co., an invoice of Mdse., Dec. 6 8 D in 5 da., less 3%, $127.70.

Deposit all cheques on hand. Post up to date, but do not post totals nor close the Cash Book.

12. Received from C. D. Rogers, his cheque for the amount of his bill of Dec. 1, less returns and 3% discount on the remainder of the bill.

Sold W. C. Malcolm on acct., 4 Jardiniere Stands, # 391, @ $1.20 ; 5 Rattan Rockers, # R46, @ $3.85 ; 3 Parlour Cabinets, # 170, @ $9.25 ; 3 Oak Wardrobes, # 308, @ $22 ; 6 Oak Washstands, # 302, @ $3 10 ; 4 Oak Dressers, # 301, @ $7.

13. Received from the Dominion Furniture Manufacturers, an invoice of Mdse., Dec. 10, 2/10, n/30 $275.30

Sold to R. M. Walker, Havelock, C.O.D., less 4%, 2 Brass Bedsteads, # 201, @ $24.75 ; 2 Parlour Suites, # 451, @ $20.50 ; 3 Dining Tables, # 374, @ $7.20.

14. Ordered from McKinnon & Cole, Woodstock, a bill of Furniture amounting to $98.15. Deducted their regular discount of 2½% and enclosed with the order a bank draft, purchased by cheque for the net amount

Sold to J. S. Oliver, 3/10, n/30, 2 China Cabinets, # 25, @ $21.50 ; 4 Child's Brass Cots, # 207, @ $10 15 ; 6 Kitchen Tables @ $2.35.

Paid freight bill to date by cheque, $10.20.

Received from R. Waldron, his cheque for $150 to apply on his bill of Dec. 5. He has asked us to draw on him at 30 days from that date for the balance of the bill, less discount, on the part paid. Draw the draft and leave it with the bank for collection.

15. Received from the Thompson Furniture Co., an invoice of Mdse., Dec. 12, draft at 15 da., less 2%, $299 60.

Accepted M. Andrews' draft at 30 da. from Nov. 29 for the amount of the invoice of that date.

Paid the blacksmith's bill for repairs and horseshoeing in cash, $4.25.

16. Sold to C. D. Rogers, 3/10, n/30, 4 Morris Rockers, # 791, @ $7.20 ; 2 Dining Tables, # 374, @ $7.20 ; 1 Bookcases, # 338, @ $7 50

W. J. Hammond, Trenton, has written us saying that he has been overcharged $3 each on the Davenport Sofa Beds bought on the 9th. We find this to be the case and send him a credit note for the amount

Paid salaries for the half month by cheque

17. The bank reported the C.O.D. sale to R. M. Walker on the 13th, collected and credited, less exchange ¼%

Sold to K. Gordon, $\frac{3}{10}$, $\frac{2}{10}$, 6 Parlour Tables, # 458, @ $5.60 ; 4 Oak Buffets, # 351, @ $24.75 ; 5 Oak Wardrobes, # 308, @ $22

Accepted the Thompson Furniture Co.'s draft at 15 da. from Dec. 12 for the amount of the invoice of that date, less returns and discount

Deposited all cheques on hand

Post up to date. Close the Cash Book. Post totals and take off a trial balance

19. Sold to R. Waldron, draft at 15 da., less 2 %, 5 Iron Bedsteads, # 137, @ $5.25 ; 7 Combination Mattresses, # K7, @ $4.20 ; 3 Kitchen Cabinets, # 302, @ $14.50 ; 2 Music Cabinets, # 49, @ $9.

Received from D. E. Johnston, his cheque for the amount of the bill of Dec. 8, less discount. We allowed the discount.

The bank presented C. Sanford's sight draft for the amount of the invoice of Dec. 6th, less discount We paid the draft by cheque

Remitted to the Dominion Furniture Manufacturers a bank draft, purchased by cheque, for $200 to apply on the invoice of Dec. 10, and our note at 30 da. from that date for the balance of the invoice, less discount, on the part paid by the draft.

20. Received from McKinnon & Cole, the goods ordered on the 14th

Sold to D. E. Johnston, $\frac{3}{10}$, $\frac{2}{10}$, 3 Iron Bedsteads, # 137, @ $5.25 ; 5 Spring Mattresses, # 2, $3.20 ; 3 Oak Dressers, # 301, @ $7

21. Paid freight bill to date by cheque, $11.25.

Drew on R. Waldron at 15 da. from Dec. 19 for the amount of the bill of that date, less discount, and left the draft with the bank for collection.

Paid Henry Baker in cash, for repairs done to the Warehouse, $12.15

Paid by cheque our acceptance favour the Thompson Furniture Co., due to day

22. Sold to A. W. Abbott, Port Hope, C.O.D., less 4 %, 4 Rattan Rockers, # R46, @ $3.85 ; 5 Morris Reclining Chairs, # 145, @ $6 ; 2 Bookcases, # 338, @ $7.50.

Drew on A. W. Abbott at sight for the amount of the foregoing sale, attached the draft to the bill of lading and left it with the bank for collection.

The bank reported the draft on J. S. Oliver of the 5th, collected and credited, less exchange

K. Gordon returned one of the Oak Buffets sold him on the 17th, and we gave him credit

23. Received from the Dominion Furniture Manufacturers, an invoice of Mdse., Dec. 22, 24 . . . $327.50. Accepted their draft at 10 da. from Dec. 22 for the amount, less discount

The firm paid by cheque a note made by R. J. Stephen for $27.50 in favour of B. Lundy, and due to day.

24. Sold to W. C. Malcolm on account, 6 China Cabinets, # 25, @ $21.50 ; 5 Child's Brass Cots, # 207, @ $10.15 ; 6 Combination Mattresses, # K7, @ $4.20 ; 2 Chiffoniers, # 91, @ $15.70 ; 2 Bed room Suites, # 272, @ $15.95

The bank reports the draft on K. Gordon, dated Dec. 6, collected and credited, less exchange $\frac{1}{8}$

D. M. Warner withdrew for private use by cheque, $25.

Sold to W. J. Hammond, 8 D. less 4 %, 8 Arm Chairs, # 381, @ $3.85 ; 12 Dining Room Chairs, # 38, @ $2.50 ; 4 Morris Rockers, # 791, @ $7.20 ; 3 Music Cabinets, # 49, @ $9 ; 4 Parlour Tables, # 458, @ $5.60.

Drew at sight on W. J. Hammond for the amount of the foregoing bill, less 4 %, and left the draft with the bank for collection

Received from Chas. Sanford & Co., an invoice of Mdse., Dec. 22, S D in 5 da., less 3%, $225.40.
Deposit all cheques on hand. Post up to date, but do not post totals, and do not close the Cash Book.

27. The bank reported the draft on J. S. Oliver, Nov. 22, collected and credited, less exchange ⅛ .
Drew on J. S. Oliver at 30 da. from Dec. 14, for the amount of the bill of that date, and left the draft with the bank for collection.
Sold to C. H. Gough, Hastings, C.O.D., less 4 , 4 Oak Wardrobes, # 308, @ $22 ; 3 Oak Sideboards, # 375, @ $25.80 ; 2 Music Cabinets, # 49, @ $9. Drew the draft for the amount of this bill, less 4 , attached it to the B L and left it with the bank for collection.
The bank presented Chas. Sanford & Co.'s S D for the bill of Dec. 22, less 3 , and we paid it by cheque.

28. Received from M. Andrews, an invoice of Mdse., Dec. 23, $^{2}/_{10}$ $^{n}/_{30}$, $206.20.
Paid freight bill to date by cheque, $17.60.
Received from K. Gordon his cheque for $180, to apply on the bill of the 17th. He asked us to draw on him at 30 da. from that date for the balance of the bill, less discount. We allowed him the discount on the part paid by the cheque, drew on him for the balance, and left the draft with the bank for collection.
The bank reported the draft for the C.O.D. sale to A. W. Abbott on the 22nd, collected and credited, less exchange ⅛ .

29. Sold to K. Gordon, $^{2}/_{10}$ $^{n}/_{30}$ 5 Spring Mattresses, # 2, @ $3.20 ; 4 Bookcases, # 33x, @ $7.50 ; 4 Writing Desks, # 67, @ $6.75 ; 2 China Cabinets, # 25, @ $21.50.
The bank reports the draft on K. Gordon, due on the 27th, collected and credited, less ⅛ exchange.
Drew on C. D. Rogers at 30 da. from Dec. 16, for the amount of the bill of that date and left with the bank for collection.

30. Sold to C. D. Rogers, $^{2}/_{10}$ $^{n}/_{30}$ 3 Writing Desks, # 67, @ $6.75 ; 4 Rattan Rockers, # R46, @ $3.85 ; 2 Parlour Cabinets, # 470, @ $9.25 ; 5 Oak Washstands, # 302, @ $3.10.
Paid by cheque our acceptance favour the Thompson Furniture Co., due to-day.
Received from D. E. Johnston, his cheque for the amount of the bill of the 20th, less 3 .

31. The bank reports the sight draft on W. J. Hammond, Dec. 24, collected and credited, less exchange ⅛ .
Paid by cheque, the bill of "The Peterborough Times" for advertising for the month, $17.50.
Credit the partners with their salaries for the month. Deposit all cheques on hand.
Paid salaries for the half month by cheque.
Post up to date, including totals. Close the Cash Book. Take off a Trial Balance. Make out the Financial Statements, and close the books. Bring down all balances ready for the next month's business and take a second Trial Balance. Do not close the Capital accts.

INVENTORIES

Merchandise on hand	*$1536.45*
Horse and Wagon	*335.00*
Office Furniture	*40.00*
Insurance paid in advance	*14.05*

The results of the two months' trading have not been satisfactory to the partners, and they have agreed to dissolve partnership. Neither of the partners wishes to continue the business, and it has been decided to convert all assets into cash as soon as possible and to pay off all debts. The books are then to be closed and the partners are to be paid off in cash.

Jan. 2. Sold the stock on hand to R. H. Ballard for 80 cents on the dollar, to be paid for in cash. Mr. Ballard also agrees to take over the store at $90 a month, and to pay for the unexpired insurance in cash.

Sold the Horse and Wagon for cash, $325

Sold the Office Furniture to Mr. Ballard for $25 cash

5. Paid all Bills Payable in cash, a discount of 5 per annum being allowed on those not yet due.

Collected all Bills Receivable, less discount of 8 per annum on those not due

10. Paid in full all outstanding accounts

Collected in full all accounts due us

Deposit all cash on hand

Close all accounts showing Loss or Gain to the Loss and Gain acct.

Close the Loss and Gain acct. to Capital accts

Close the Private accts. to the Capital accts.

Pay off the partners by cheque and close out the Cash Book at the Capital accts

BILLING

Generally the terms of sale in any business apply to all goods handled, but in some cases the goods are divided into groups, and the terms that apply to one of these groups of goods are different from the terms that apply to the goods of another group. For example, in a wholesale grocery business the terms are arranged after the following manner, though the particular terms and groups vary from time to time:

3 M Goods, 3 per cent. in 15 days Teas, Coffees, Rice

ls, 1 per cent. in 15 days Dried Fruits, Sugar, Molasses, Canned Goods

Goods: Soap, Beans, Salt, Matches

Goods all of these groups may be sold to the same purchaser at the same time. They may then be entered all on the same bill and grouped according to terms, or a separate bill may be made out for each group. In any case a separate entry should be made in the Ledger Acct. for each, and in some respects it is more satisfactory to have a separate bill for each lot of goods

When the invoice is too long to be completed on one sheet, care must be taken to number the sheets in order, and to carry forward the amount from sheet to sheet.

WHOLESALE DRY GOODS INVOICE

T. R. WEBB & CO.

WHOLESALE DRY GOODS

MONTREAL, *Oct. 28, 19—* SOLD TO *C. W. RAMSEY & CO*

Toronto.

ORDER No. *2226*

Terms: 30 da., 3 in 10 da. Ship by Freight, *G. T. R.*

CASE	MARKS	PARTICULARS	
#378		*10 pcs. Serge*	
	C.W.R.	*66², 61, 62½, 68, 72, 62½, 63, 69,*	
		71³ – 678³	*353*
		Forward	*3*

T. R. WEBB & CO.

WHOLESALE DRY GOODS

2

MONTREAL, *Oct. 28, 19--*

SOLD TO *C. W. RAMSAY & CO.*

ORDER No. 2 7

Terms

Ship by

CASE	MARKS	PARTICULARS			
		Forward		541 53	
#456	C W R	6 pcs *Black Cashmere*, #456 67, 67, 68, 72, 71, 73, 66, 68, 66, 66, 68, 69, 72, 73, 71 1113	93	750 74	
#457		7 pcs *Tweeds* 63, 67, 68, 66, 63, 64, 64, 68, 72, 73, 74, 71, 73, 68, 64, 71, 73, 72, 75, 66, 68, 62, 68 1666	30	798 08	1991 17

NOTE.—Pieces of cloth come from the loom in different lengths. Each piece is then measured to the nearest quarter of a yard and the length of the piece is put on a ticket and attached to the piece. In the lengths given above, the small figures represent quarter yards.

For exercise use Invoices in Set IV

WHOLESALE GROCERIES INVOICE

TORONTO, *Jan. 11, 19--*

Mr. H. E. HARRISON,

Listowel, Ont.

1 –

CASH DISCOUNTS

3 mos. Goods 3 per cent. in 15 da.
30 da. Goods 1 per cent. in 15 da.

BOUGHT OF P. HAMILTON & CO.

ORDER No. 7

Ship by *G. T. R.*

Terms, 3 mos.			
1/2 M. *Jaipur Tea*, on 8 lbs. net	18	91 80	
1/2 ch. *Y. H. Tea* 8 7 1 8 82-15 251 75 292	23	51 75	143 55
2 days			
3 *Lobsters*, 7 lb. cans, 1 doz. per doz.	2	21	
3 *Sardines*, 1/4 oil, 100 tins per case	1.50	6.3 00	
1 bbl. 30 *Pickles*, at 75 lbs.	1.	12	98 00

NOTE. For exercise use Sales in Set V.

PAYMENTS

When goods are sold subject to a choice of terms, as for example, Nov. 3, 5 in 10 da., 3 in 30 da., net 60 da., they are charged at the net price. The purchaser is then entitled to the discount of 5 , if he remits so that the cash is received on or before Nov. 13, or to the discount of 3 if the cash is received on or before Dec. 3.

The purchaser may not, however, be able to pay the whole bill, and he is then entitled to the discount on the part paid—not on the cash payment, for the discounts are on **bills** paid, not on **cash** payments. Thus if a purchaser is able to pay $285 on a bill on which the discount is 5%, he is entitled not to a discount of 5% on $285 = $14.25, but 95% of the debt paid is equal to $285, 100% of the debt paid is equal to $300, and the discount is therefore $15. The Journal entry for the foregoing would be:

Cash	Dr.	285	
Disc. off Sales	Dr.	15	
Purchaser	Cr.		300

Since the cash discounts are usually much greater than the actual cost of borrowing the money for the time in question, it is profitable to discount any notes on hand in order to raise the money necessary to earn the cash discount. For example, Nov. 10, I owe H. Walker for a bill of goods $600, $\frac{5}{10}$ $\frac{2}{30}$. I have on hand a note for $365 which has 25 days still to run. Nov. 10, I discount this note at the bank at 7%, and remit the proceeds to H. Walker to apply on the bill.

(*a*) The interest on $365 at 7% for 25 da. = 1.75.
Proceeds = 365 − 1.75 = 363.25.

(*b*) The discount on the bill of goods is 3%; ∴ 97% of the debt paid = 363.25.
100% " " = 374.48

Hence the discount = $11.23, and since the interest on the borrowed money = $1.75, I have gained $9.48 by the transaction.

(*c*) My entries would be as follow:

1.	Cash	Dr.	363.25		
	Interest and Discount	Dr.	1.75		
	Bills Receivable	Cr.		365.00	
2.	H. Walker	Dr.	374.48		
	Discount off Purchases	Cr.		11.23	
	Cash	Cr.		363.25	

EXERCISES ON PAYMENTS

1. Dec. 5, I pay John Gregory for a bill of goods $850, Dec. 3, $\frac{5}{10}$ $\frac{2}{60}$. Give my Journal entry.

2. Dec. 7, I send R. A. Walker a cheque for $750 to apply on a bill of goods $1250, Dec. 3, $\frac{5}{10}$ $\frac{2}{60}$. Give my Journal entry.

3. Dec. 9, I draw at sight on H. Brown for $600 and remit the draft to C. Mason to apply on a bill of goods $1000, Dec. 6, $\frac{4}{10}$ $\frac{1}{60}$. Give my Journal entry.

4. Drew on A. B. Smith for $600 at 30 days from date, and remitted the draft to W. Raymond, to apply, less discount at 7% for 33 days, on a bill of goods bought 3 days ago, terms $\frac{3}{10}$ $\frac{2}{30}$. Give my Journal entries. How much do I gain by the transaction?

5. I hold a note for $600 made by W. Chester in my favour December 2 at 2 months. On Dec. 21 I discount it at the bank at 7%, and remit the proceeds to H. Adams on a bill of goods on which I am entitled to a discount of 4%. Give my Journal entries. Find my gain.

6. On Dec. 20 I draw on T. Smith at 60 days for $730. I discount the draft immediately at 6%, and remit the proceeds with a cheque for $200 to R. Gray, to apply on a debt on which I am entitled to a discount of 2%. Give my Journal entries. Find my gain.

7. Received from H. Green a sight draft on W. Jones for $260 and a cheque for $340, to apply on a debt on which he is entitled to a discount of 3%. Give my Journal entry.

8. Received from H. Adams, a draft for $300 on M. Good, drawn at 30 days' sight and accepted yesterday, also a cheque for $400. These are to be applied, less 33 days' discount at 7 % on the draft, on a bill of goods on which there is a discount of 2%. Give my Journal entry.

9. I owe W. Green & Co. for a bill of goods $750, less discount of 5 % if paid to-day. I cannot raise the cash, but they are willing to take my note at 30 days for such an amount that if discounted to-day at 7 % it would pay the net amount of the bill. Make my Journal entry.

10. Had my note at 60 days discounted at the bank at 7 %. The note was endorsed by G. Moon, and was drawn for such an amount that the proceeds would buy a bank draft (exchange ¼ %) to pay for a bill of goods $1250, less discount 4 %. Give my Journal entries.

11. My total purchases for the year have been $10500. The average terms have been $\frac{3}{10}$ $\frac{n}{30}$. How much would I gain in the year by discounting at 7 % notes with 60 days to run, including days of grace, so as to secure the cash discount on all purchases?

12. I owe R. Wheeler $434.56, less 3 % discount, and pay him with a bank draft purchased by cheque, exchange ¼ %. Give my Journal entry.

13. Wrote a cheque for $938.42 to pay for a draft purchased at ¼ % discount, which I remitted in payment of a bill of goods less 3½ % discount. Give my Journal entry.

14. Drew on B. Anderson at sixty days' date for $422.50 and had the draft discounted at the bank at 7 %, receiving for the proceeds a bank draft at ½ % premium, which I remitted to W. Gray on a bill of goods, less discount 3 %. Give my Journal entries.

THE DISCOUNT COLUMN IN THE CASH BOOK

Up to this point discounts have been entered through the Cash Book by a contra entry, that is, the bill was regarded as having been paid in full, and the discount as having been handed back, and this method of entry applied both to the payment of notes and drafts and to the payment of bills of goods. But every such entry made both sides of the cash book too great by the amount of the discount. That is, the debit side of the book did not represent actual cash received, nor did the credit side represent actual cash paid out. But, further, this method of entry separated the entry for discount from the account upon which it was the discount. To overcome these difficulties, so far as discounts off purchases and sales are concerned, it is only necessary to interchange the columns in the book, and make that on the debit side of the Cash Book the Mdse. Disc. Dr. column or "Discount off Sales," and that on the credit side of the Cash Book the Mdse. Disc. Cr. column or "Discount off Purchases." Then in finding the total cash received and the total cash paid out, since these columns do not represent actual cash, they should not be included. A careful study of the illustration given on page 55 will make this clear.

EXERCISES ON THE CASH BOOK

1. Rule a Cash Book with special columns on the Dr. side for Accounts Receivable, Cash Disc. Dr. and Bank Cr., and on the Cr. side for Accounts Payable, Cash Disc. Cr. and Bank Dr., and enter the following transactions:

Jan. 2. J. Inglis continues business with Cash on hand $225, and in the Bank of Commerce $4260.

4. Paid rent for Jan. by cheque $70.

Paid Jas. Arthur for his bill of Dec. 26, $270, less 3 %, and T. Mitchell for his bill of Dec. 27, $330, less 3 %, both by cheque.

Discounted A. Robinson's note (No. 1) at the bank. Face of the note $130, discount $3, proceeds deposited.

CASH Dr.

Date	Fol	Acct. Cr.	Explanation	Gen	Acct. Rec.	C. Dis. Dr.	Bank Cr
Jan		Balance	On hand				
"		"	" deposit				
"			Chk No				
"			" "				
"			" "				
"		B Bo	Note				
"		C Carson	Bill Dec				
"		D Clark	" "				
"			Chk No				
"		H Hall	Bal Jan				
"		J Reed	"				
"			Chk No				
		Bank	Cr				
		C Dis	Dr				
		Furn Ex	Cr				
		Cash	Dr				
		Bal c/d	On deposit				
Jan		Bal	On deposit				
"		"	"				

CASH Cr.

Date	Fol	Acct. Dr	Explanation	Gen	Acct. Pay	C. Dis. Cr	Bank Dr
Jan		Balance	On deposit				
"		Rent	Jan				
"		J Arthur	Bill Dec				
"		F Mitchell	" "				
"		Int & Disc	On B. R.				
"		Bank	Deposit				
"		Expense	Cash bill				
"		Freight	For the week				
"		Expense	Insurance				
"		"	Stamps				
"		Bank	Deposit				
"		Expense	Ex Charge				
		Bank	Dr				
		C Dis	Cr				
		Furn Exp	Dr				
		Cash	"				
		Bal c/d	Cr				
Jan		Bal	On deposit				

Received from C. Cowan his cheque for bill of Dec. 28, $210, less 4%, and from D. Clark his cheque for bill of Dec. 15, $115.

6. Paid Gas bill in cash, $15.60, and Freight bill by cheque, $27.70.

Received from W. White his cheque for the bill of Jan. 3, $335, less 2%, and from J. Reid his cheque for the bill of Jan. 2, $175, less 1%.

Paid Insurance premium by cheque, $35, and for stamps in cash, $4.50.

Deposited all cheques on hand, exchange 85c.

Close the Cash Book and bring down the balances. Show the entries properly checked as when posted.

8. Prepaid by cheque my note favour T. Bain, $122, less discount for unexpired time $2.

Issued cheques to G. Sawyer for bill of Jan. 3, $320, less 4%, and to F. Wood for bill of Dec. 28, $260, less 3%.

Received from S. Bell his cheque for the bill of Jan. 2, $120, less 3%, and from R. Hamilton his cheque for the bill of Jan. 5, $84, less 2%.

Paid Telephone bill by cheque, $35.

12. Paid by cheque my note favour D. Robins, $160, and interest $5.

Paid F. Bennett for repairs by cheque, $25. Paid in cash a bill for cartage, $4.80.

D. James paid his note due to-day in cash, face $133, interest $1.50.

J. Morris settled his account by cheque, $126, less discount $2.20.

Received from D. Henderson his cheque in full of his account, $226, less disc. 3%.

Paid my account favour S. Armstrong, $330, less 2½%, by cheque.

Deposited all cheques on hand, exchange ¼%, but not less than 10 cents on any cheque.

Close the Cash Book and bring down balances. Post and take off a Trial Balance.

2. Rule a Cash Book with special columns on the Dr. side for Accts. Receivable, C. Disc. Dr., B. Rec. Cr. and Bank Cr., and on the Credit side for Accts. Payable, C. Disc. Cr., Expense Dr. and Bank Dr., and enter the following transactions:

Feb. 1. P. W. Evans continues business with cash on hand $160, and in the Merchants Bank $3560.

4. Issued the following cheques: to D. Baker & Co. for bill of Jan. 29, $220, less 3%; J. Lane for bill of Jan. 26, $340, less 5%; R. Bell for bill of Jan. 30, $165, less 2%.

Received cheques as follows: A. Wilson for bill of Jan. 27, $80, less 2%; G. Thompson for bill of Jan. 29, $130, less 3%; R. Good for his note due to-day, $75, and interest on the same $1.15; F. Forest for his note due to day, $135.60.

Paid by cheque my note No. 1, favour W. Bain, due to-day, $260, and interest $2.50.

Paid rent, by cheque, $75; Insurance premium, by cheque, $23.50; Coal bill, by cheque, $44.20; petty expenses, in cash, $10.50. Deposited all cheques on hand, exchange ¼%.

6. Received cheques as follows: D. Christie for bill of Jan. 30, $275, less 3%; D. Cameron for bill of Feb. 1, $160, less 5%; J. Clark for his note, $75, less disc. $1.

Paid by cheque the following bills: M. Davidson, bill of Jan. 31, $220, less 3%; R. Wheeler, bill of Feb. 1, $130, less 2%; D. Jones for Advertising, $13.50.

Paid in cash for cartage, $4.20; Horse keep, $9.20. Deposit all cheques on hand, exchange ¼%.

8. Paid by cheque the following bills: J. Wells, bill of Feb. 3, $170, less 3%; G. Crosby, bill of Feb. 6, $115, less 2%; T. Miller for repairs to warehouse, $13.60.

Discounted C. Reid's note at the bank, face $155, disc. $3, proceeds credited.

9. Received the following cheques on account: for G. Kemp's acct., $80, less disc., $3; R. Garney's acct., $92, less disc. $4.

Compromised with C. Dill for note of Dec. 2, 865; received his cheque for 840 in full settlement. Paid for stamps and stationery in cash, 86.40. Close the Cash Book. Post and take Trial Balance.

REMARKS UPON THE FINANCIAL STATEMENT

The purpose of the Financial Statement is to show clearly and with the least possible use of technical forms and expressions, the results of the term's trading, and how these results have been reached. It is intended for the use of the proprietor or business manager or both, and condensed forms that would be perfectly intelligible to an expert bookkeeper should be avoided. Its value depends upon the clearness with which it presents the actual present condition of the business, and the way by which that condition has been reached. To this may be added, if desired, comparisons with previous years' results, or this may be left for a separate statement—the Comparative Statement.

The Merchandise account has already been subdivided and arranged so as to show the actual purchases and sales for the period, as well as the condition of the stock. We have now to examine more closely the expense side of the business and classify the items there. A convenient division of these is into: (*a*) "Selling Expenses," or Cost of Distribution, which should contain all expenses incident upon placing the goods on the market and delivering them to the purchaser. (*b*) "Upkeep," or Cost of Maintenance, which should contain all expenses pertaining to the maintenance of the place of business in an effective condition, as rent, taxes, interest on mortgage, depreciation of warehouse, etc. (*c*) "Administrative Expenses," or Cost of Running the Business, which should include all expenses of the office and management, legal fees, partners' salaries, etc. Some items will still remain, such as appropriation for bad debts, interest on investments not directly connected with the business, but made from the capital of the business, etc.; these should be entered separately in the statement.

Such a detailed analysis of the expenses may be made in either of two ways: 1. An account may be opened in the Ledger for every item of which separate record is required, keeping a general expense account for what remains. 2. One general expense account may be kept in the Ledger and posted to monthly from the expense column in the cash book, and an Expense Analysis sheet may be made out monthly from the items in the expense column of the cash book. Such an Expense Analysis sheet, together with the summary of sales for the month, furnishes in a convenient form important data for the use of the manager. It involves no more work than does the posting to separate accounts, and it avoids loading the Ledger with divisions of the Expense account. If the bookkeeper prefers to have the analysis for the year shown in the Ledger, the distribution to separate accounts may be made monthly by a Journal Entry as shown below, but it is not necessary that such distribution should be made, as the expense analysis sheet gives the data both in detail and in summary.

(*a*) Travelling Expenses,	Dr.		or	(*b*) Selling Expense,	Dr.
Rent,	Dr.			Expense of Maintenance,	Dr.
Office Salaries, Etc. Etc.,	Dr.			Administrative Expense,	Dr.
	General Expense,	Cr.			General Expense, Cr.

This entry would, when posted, close out the General Expense account which has been posted to in total from the Cash Book column, and the accounts thus opened would then be closed in the usual way to Loss and Gain account.

Illustrations of the Financial Statement and Expense Analysis sheet follow.

NOTE.—Merchandise discount is dealt with in three ways by accountants: (*a*) Separate accounts are kept for Disc. off Purchases and Disc. off Sales. Discount off Purchases is closed to the Mdse. Purchases account, and Discount off Sales is closed to the Mdse. Sales account. (*b*) One account only is kept for Mdse. Discounts, and this account is closed to the Loss and Gain Account. (*c*) Separate accounts are kept, but the Disc. off Purchases is closed to Loss and Gain account, while Discount off Sales is closed to Mdse. Sales account.

TRADING ACCOUNT, DEC. 31, 19

SALES

	Gross Sales		[illegible]
	Less Returns	[illegible]	
	Discount	[illegible]	[illegible]
[illegible]	*Net Sales*		[illegible]

COSTS

	On Hand Jan. 1	[illegible]	
	Purchases	[illegible]	
	Less Returns	[illegible]	
	Discounts	[illegible]	[illegible]
	Add Duty	[illegible]	
	Freight Inward	[illegible]	
	Total Cost	[illegible]	
	On hand, Dec. 31	[illegible]	
[illegible]	*Cost of Goods Sold*		[illegible]
	Gross Profits Trading		[illegible]
	Rate Per cent Cost of Goods Sold	[illegible]	
	Rate Per cent Net Sales	[illegible]	

PROFIT AND LOSS ACCOUNT, DEC. 31, 19

PROFITS

	Gross Profits Trading	[illegible]

LOSSES

	Horse and Wagon	[illegible]	
	Advertising	[illegible]	
	Travelling Expenses, Salesmen	[illegible]	
	Salesmen's Salaries	[illegible]	
	Freight Outward	[illegible]	
[illegible]	*Cost of Distribution*		[illegible]
	Taxes	[illegible]	
	Insurance	[illegible]	
	Furniture and Fixtures, Depreciation	[illegible]	
	Fuel and Light	[illegible]	
	Rent	[illegible]	
[illegible]	*Cost of Maintenance*		[illegible]
	Office Salaries	[illegible]	
	Bad Debts	[illegible]	
	Office Expenses	[illegible]	
	Donations	[illegible]	
	Partners' Salaries	[illegible]	
		[illegible]	
	Less Gain on Interest	[illegible]	
[illegible]	*Cost of Running the Business*		[illegible]
			[illegible]
[illegible]	*Appropriation for Bad Debts*	[illegible]	[illegible]
[illegible]	*Net Profits for the Term*		[illegible]
[illegible]			

BALANCE SHEET, DEC. 1, 19—

ASSETS

Cash, on hand		
" on deposit in Bank		
Bills Receivable		
Accounts Receivable		
Less Appropriation for Bad Debts		
Mdse. on hand, Dec. 1		
Quick Assets		
Horse and Wagon		
Furniture and Fixtures		
Less Depreciation		
Coal on hand		
Total Assets		

LIABILITIES

Bills Payable		
Interest accrued on above		
Accounts Payable		
Net Capital		

E. D. HENDERSON, PARTNER, DEC. 31, 19—

Net Credit		
Salary		
Net Gain		
Dr. Private Account		
Net Capital		

H. M. GIBSON, PARTNER, DEC. 31, 19—

Net Credit		
Salary		
Net Gain		
Dr. Private Account		
Net Capital		

W. L. FERGUSON, PARTNER, DEC. 31, 19—

Net Credit		
Net Gain		
Dr. Private Account		
Net Capital		

EXPENSE ANALYSIS SHEET

Date	Delivery	Ads	Trav. Exp.				Rent	Light and Fuel						

[illegible]

Item— [illegible] Total to March 31

[illegible]

Note.—The analysis sheet may be [illegible] of comparison as often as desired, and a summary sheet [illegible] prepared, made [illegible]
The summary sheet may be ruled [illegible] or it may be ruled with twenty-four columns, as indicated [illegible] and it will then show cumulative [illegible] month to month.
The principle of the analysis sheet may be applied [illegible] other accounts, with such details as may be desired [illegible]

It will be observed that the [illegible] are added to the yearly totals if they represent [illegible] but if they represent liabilities [illegible] March 31 they are deducted. If they represent assets [illegible] they represent liabilities [illegible] the items entered [illegible] the summary sheet may furnish the data [illegible] financial statement.
The inventories are entered in separate [illegible] the Ledger through the General Expense account, as [illegible] is not distributed, but through the salaries [illegible] after the distribution has been made.

PURCHASE LEDGER

When the number of creditors' accounts is large, a separate ledger may be used for them, just as [illegible] some accounts. This ledger is called the Purchase Ledger and in form and use resembles the Sales Ledger. The balance of the Purchase Ledger may be entered in the trial balance, and an Accounts Payable account may be opened in the General Ledger [illegible] the Purchase Ledger entered therein.

DEPARTMENTAL ACCOUNTS

When a business is divided into departments under separate management, it is desirable that the results of the trading in each department should be shown separately. This is done with varying degrees of completeness from the simple division of the trading account showing costs and sales with gross profits for departments to the complete analysis both of trading and of expenses and showing **net** profits by departments as well as **gross** profits.

To show gross profits by departments it is necessary to keep a separate purchase, sales and in[illegible] for each. The purchases and sales may be posted to these from special columns in the [illegible] sales books. The freight should be entered through the purchase book and distributed to [illegible] columns. It will then be posted with the Invoice Book totals to the Department accts., and [illegible] eight column total to the Cr. of Freight acct. It will also be posted from the Cash Book to [illegible] Freight acct., thus balancing the Freight account in the Ledger.

[illegible] accounts should be kept for the cash discounts, namely "Discount off Purchases" and "Discount [illegible] and these accounts should be closed into the Purchases and Sales accounts, the amount of dis[illegible] g divided among the departments in the proportion of their purchases and sales.

[illegible] ates and returned goods may be charged or credited directly to the proper department through the Journal, or separate books may be kept, namely "Rebates and Returned Goods Dr." book, and "Rebates and Returned Goods Cr." book, each with special columns for the various departments. Posting to the Purchases and Sales accounts from these books will be done monthly, just as is done from the Purchase and Sales books.

A second method of dealing with Departmental accounts is to have only one set of accounts in the Ledger showing gross trading results, and to use the analysis sheet for the detailed statement, as was done with Expenses. This method is best adapted to the requirements of a business having a large number of departments.

EXERCISES ON FINANCIAL STATEMENTS

(a) TRIAL BALANCE

Cash	7699	
Bills Receivable	6720	
Accts. Receivable	13560	
Mdse. on hand Jan. 1	10000	
Mdse. Purchases	36500	
Mdse. Sales		72500
Rebates off Purchases		330
Discount off Purchases		247
Discount off Sales	427	
In Freight	1200	
Rent	2250	
Insurance	420	
Office Salaries	5400	
Office Furniture	2120	
Travelling Expenses	1130	
Bad Debts	324	
Interest and Discount	112	37
Bills Payable		8650
Accts. Payable		7560
J. Frost (Cap.)		15000
G. Elliott (Cap.)		12500
J. Frost (Prir.)	555	
G. Elliott (Prir.)	715	
	86720	86720

INVENTORIES

Mdse. on hand Dec. 31	15250
Rent paid in advance	250
Insurance unearned	60
Office Salaries due	120
Office Furniture worth	1900

Allow each partner a salary of $120 a month, and divide the remaining gain or loss in proportion to capital invested.

(b) TRIAL BALANCE

Cash	8545	
Bills Receivable	1770	
Accts. Receivable	9650	
Mdse. on hand Jan. 1	6700	
Mdse. Purchases	15000	
Mdse. Sales		18500
Discount off Purchases		225
Discount off Sales	205	
Rebates off Purchases		175
Rebates off Sales	350	
In Freight	1220	
Insurance	450	
Rent	1350	
Office Furniture	1200	
Salaries of Salesmen	420	
Delivery	225	
Interest and Discount	130	115
Bills Payable		3580
Accts. Payable		9050
D. Moore (Cap.)		10000
E. Leonard (Cap.)		8000
D. Moore (Prir.)	225	
E. Leonard (Prir.)	250	
	50553	50553

INVENTORIES

Mdse. on hand Dec. 31	6750
Rent due	150
Office Furniture worth	1000
Interest due on Bills Payable	15

Allow each partner 5 per annum interest on Capital invested, and divide the remaining gain or loss equally.

1. Make out Trading Account, Profit and Loss Account, Summary of Cap. Accts., and Balance Sheet.
2. Find Gain or Loss per cent. on Mdse. (*a*) On Net Sales. (*b*) On Cost of Goods Sold.
3. Show the percentage of Expenses and of Net Profits on the Net Sales.
4. Group the Assets as, (*a*) Assets immediately available. (*b*) Assets not immediately available.

GOODWILL

Goodwill is a value placed upon, or an amount paid for, the reputation and connection of an established business.

Such an account is seldom created except in connection with the purchase or sale of a business already established. It represents a fixed asset, and business men usually prefer to drop it from their books by writing off a certain proportion of it each year as a loss.

BAD DEBTS

Where business is done on credit, it is usually expected that a certain proportion of the credit accepted will not be redeemed. The amount will vary with the nature of the business, and in any given business will vary from year to year.

When a debtor fails, and all, or part, of the debt is lost, the account is usually closed at once, the uncollected balance being transferred not to Loss and Gain account direct, but to a Bad Debts account. This Bad Debts account having received all such losses for the year, is then closed to Loss and Gain account.

Kept in this way the Bad Debts account shows the actual loss by failure of debtors during the period over which it extends. Some of the transactions giving rise to the debts may have occurred in the preceding period, and the loss then properly belongs to that period. Hence, in entering the accounts receivable in the financial statement, it is usual to deduct a given percentage and to provide for it by setting aside a like amount of the profits for the period in an account called "Reserve for Bad Debts." Thus, if the accounts receivable at the close of a given period amount to $5000, and it is estimated that 2% of this will be lost through failure of debtors, the 2% should be deducted from the $5000, and $4900 should be extended as the asset for accounts receivable in the balance sheet, and the $100 should be disposed of by the following entry:

Loss and Gain	Dr.	100	
Reserve for Bad Debts	Cr.		100
For 2% on Accounts Receivable			

No particular account receivable in the Ledger is written down or reduced in value, the $100 is deducted from the profits of the period, and set aside in the Reserve for Bad Debts account to meet possible losses.

During the following period losses by failure of debtors should be transferred to Bad Debts account, then at the close of the period, either

1. (*a*) If in the case referred to above the Bad Debts at the end of the period amounted to $75, this amount should be transferred from the Reserve for Bad Debts account to Bad Debts account, with the entry

Reserve for Bad Debts	Dr.	75	
Bad Debts	Cr.		75
For bad debts during the period,			

thus closing Bad Debts account, and leaving a balance of $25 to be brought down in Reserve for Bad Debts account.

(*b*) If the Bad Debts at the end of the period amounted to $130, the Reserve for Bad Debts account should be closed to Bad Debts account, which should then be closed to Loss and Gain account.

Or 2. In either case close Bad Debts account to Reserve for Bad Debts, and then close this account to Loss and Gain account.

MERCHANDISE PURCHASES

There are several, more or less satisfactory, methods of dealing with purchases. Two typical methods may be outlined.

1. The Invoices, when received, are placed on a provisional file till the goods they represent have been delivered. The goods are then carefully checked by the invoice, and errors or omissions are noted. An entry is then made in a Daily Memorandum book under the date on which the invoice must be paid to secure the discount, and the invoice is filed away in the order in which it has been checked. At the end of the month all the invoices for the month are grouped according to the firms from which they are received, and in the order of their dates, and arranged alphabetically, and they are then entered in the Purchase Book. They are posted from this book in totals to the credit of the creditors' accounts, and in grand total to the debit of Merchandise Purchases account, and if the Ledger is self-balancing, also to the credit of Accounts Payable account.

2. The Invoices, when received, are placed on a provisional file till the goods they represent have been delivered. The goods are then carefully checked by the invoice, and errors or omissions noted. The invoices are next given consecutive numbers and entered in a Purchase Register. This book varies very much as to the amount of detailed information entered, but it should contain at least terms, due date, or due dates, and amounts, and may have in addition to this columns for cash discounts and for net amount, and also columns for distribution to departments. After having been entered in this book the invoices are filed in consecutive order.

NOTE. The form of blank book into which the invoices were pasted, and which was once commonly used, has been almost entirely replaced by some method of filing.

MERCHANDISE SALES

1. **Retail.** The first record of a sale is the counter check, which is made out in duplicate, one copy for the purchaser, the other for office use. Accompanying the counter checks is the recapitulation sheet, on which the amounts of the sales are entered in two columns, cash and credit. The checks for the day are divided into two groups, cash and credit. The cash checks correspond with the total of the cash column in the recapitulation sheet and should also show the same total as the amount of cash received for cash sales, and recorded in the cash register or in the till. This total should then be entered in the cash book on the debit side and credited to Merchandise Sales. The credit checks may be dealt with as follows:

(*a*) The checks for the day are arranged alphabetically and fastened together, either in a binder or otherwise.

The posting is done directly from the counter check to the Ledger, one entry for each check.

The total is posted to the credit of Mdse. Sales from the recapitulation sheet, at the end of the month, or oftener if desired.

When the posting is done in this way, the Statement of Account rendered at the end of the month does not usually contain the items, but only the total of each sale.

(*b*) The checks for the day are arranged as in (*a*). They are then entered in detail in the form of Statement of Account, and by means of a carbon sheet a duplicate of this statement is made, to be retained as a Day Book.

The posting is done from this statement to the Ledger account, one entry for each counter check.

The total is posted from the recapitulation sheet to the credit of Mdse. Sales account, the same as in (*a*).

2 **Wholesale.** In a wholesale business the Order is the first record of the sale. The orders may be dealt with as follows

(a) They are first registered and given a consecutive number. The goods are packed and shipped the order is then returned to the office and extended, and the invoice made from it

The posting is done directly from the order to the Ledger account

The recapitulation sheet is used to secure the total sales to be posted to the credit of Mdse Sales account

(b) The orders are first registered and numbered as in (a). The goods are packed and shipped the order is extended. The Invoice and the Sales Book entry are made on the typewriter at one writing by the use of a carbon paper, the data being taken from the order. The posting is done from the Sales Book copy to the personal accounts, each sale in total

The amount of the sales is carried forward from page to page and posted to the credit of Mdse Sales account at the end of the month, or oftener if desired

SALESMEN'S TRAVELLING EXPENSES

When a salesman's travelling expenses are advanced to him at the beginning of the week, they should be charged to his account in the General Ledger, the entry being,

Salesman	Dr.	16 00	
Cash	Cr.		16 00

Upon his return at the end of the week he hands in a properly filled out expense sheet, giving in detail his expenses for the week. He is then credited with this amount, which is charged to Travelling Expenses.

Travelling Expenses	Dr.	12 50	
Salesman	Cr.		12 50

The balance of the salesman's account stands on the books as an asset. The Travelling Expenses account should be closed to Loss and Gain after entering as an inventory the estimated expenses for the part of a week, if any, not accounted.

C. W. RAMSAY & CO. — Salesman's Weekly Expense Sheet

SALESMAN *D. Hunter*

FROM *May 6* TO *May 11* 19

Balance on hand at last report $
Received (date) $1
Total $1
Expenses as per this sheet $1.
Balance on hand $

Date	Place	R. R. Fare	Hotel	Baggage Bus Car Fare	Incidentals	Total	Memo
May	*Collingwood, etc.*	1 85	*Grand Central*		*Postage*		
	Total						

SET IV

WHOLESALE DRY GOODS BUSINESS

SPECIAL FEATURES.—Use of Purchase Ledger; special columns for Department Purchases and Sales; Expense Analysis sheet for distribution of Expenses.

INSTRUCTIONS

(*a*) BOOKS TO BE USED. Purchase Book, Sales Book, Cash Book, Bill Book, Journal, all as principal Books; General, Purchase, Sales Ledgers.

(*b*) THE PURCHASE BOOK. This book has special columns for Freight, Dress Goods and Silks, Gloves and Hosiery, Staples. Enter the freight on a separate line from the invoice and distribute it on the same line to its proper department. This serves to post the freight to the debit side of the department account, and it should be posted from the Freight column total to the credit of Freight account, and from the cash book to the Dr. of Freight account, which then balances.

(*c*) THE SALES BOOK. This book has the same special columns as the Purchase Book, except that Freight is omitted. Post in totals to the Dept. accounts.

(*d*) CASH BOOK. This book has special columns as follows: Debit Side Accts. Receivable, Disc. off Sales; Bank Cr. Credit Side Accts. Payable, Disc. off Purchases, Expense Dr., Bank Dr.

(*e*) The Cash Discounts are posted in totals from the footing of the Cash Book columns to the accounts Discounts off Sales and Discounts off Purchases. These accounts are closed at the end of the month to the department accounts, the discounts being distributed among the departments in the proportion of purchases and sales. The closing entries will be

For Discount off Sales:

Dress Goods Sales,	Dr.	
Gloves and Hosiery Sales,	Dr.	
Staples Sales,	Dr.	
Discount off Sales,		Cr.

For distribution of discount for the month.

For Discount off Purchases:

Discount off Purchases,	Dr.	
Dress Goods Purchases,		Cr.
Gloves and Hosiery Purchases,		Cr.
Staples Purchases,		Cr.

For distribution of discount for the month.

(*f*) Keep separate accounts in the Ledger for the three departments, each in three parts: Dress Goods and Silks Purchases, Dress Goods and Silks Sales, Dress Goods and Silks Inventory. Similarly for the others.

(*g*) Keep one account in the Ledger for Expense. Post to it in totals from the Expense Dr. column in the cash book. At the middle and end of each month distribute this to its several parts, as shown in the Analysis sheet, by a Journal entry thus

(*a*) Travelling Expenses, Dr.
Salesmen's Salaries, Dr.
Rent, Dr.
Office Salaries, Etc., Etc., Dr.
General Expenses, Cr.

For distribution of Expenses for the half month.

or (*b*) Selling Expenses, Dr.
Expenses of Maintenance, Dr.
Administration Expenses, Dr.
General Expense, Cr.

For distribution of Expenses for the half-month.

Close these accounts then in the usual way to Loss and Gain account. The books will thus show in detail the character of the expenses.

Write up the Expense Analysis sheet from the Cash Book column at the middle and end of each month. The totals at the end of the month give the data necessary for the financial statement.

(*h*) In making deposits charge no exchange on local cheques; charge $\frac{1}{8}$ on out-of-town cheques, but in no case less than 10 cents. In discounting bills charge exchange only as directed. No exchange on bank drafts except as directed.

DIRECTORY

Bond R., Toronto.
Bulmer Bros., Stratford.
Canada Knitting Co., The, St. Hyacinthe, P. Q.
Dominion Glove Co., The, Montreal.
Duncan Rae & Co., Brantford.
Graham & Gardner, Woodstock.
Gilmour & Co., Peterborough.
Hall & Rutherford, Kingston.
Hastings, J. H., Belleville.
Henderson, John, Chatham.
Imperial Cotton Co., The, Hamilton
Irwin, W. & Co., Toronto
Martin, S., Toronto
Mills, G., Toronto
McArthur, J. D., Hamilton
McGregor, R., St. Thomas
Pierson, A. R., Walkerton
Simpson Bros., St. John, N. B.
Sprague, D. E., Guelph
Webb, T. R. & Co., Montreal
Williams, J. S., Berlin
Wilson Rhodes & Co., Calgary.

LEDGER LINES

SALES LEDGER. Five pages, 4 accounts to the page

PURCHASE LEDGER. Two pages, 4 accounts to the page

GENERAL LEDGER. Accounts Receivable, Accounts Payable, each one-half page: C. W. Ramsay, R. H. Skelton, A. S. Rogers (Cap. Accts.): C. W. Ramsay, R. H. Skelton, A. S. Rogers (Priv. Accts.): Freight, Discount off Purchases, Discount off Sales, Dress Goods Purchases, Dress Goods Sales, Dress Goods Inventory, Gloves and Hosiery Purchases, Gloves and Hosiery Sales, Gloves and Hosiery Inventory, Staples Purchases, Staples Sales, Staples Inventory, General Expense, Selling Expenses, Expenses of Maintenance, Administrative Expense, Interest and Discount, Bad Debts, each one-third page

MEMORANDA OF TRANSACTIONS

Toronto, Jan. 3, 19--. C. W. Ramsay and R. H. Skelton have this day entered into a partnership agreement to carry on a Wholesale Dry Goods business at 35 Wellington St. East, under the firm name of C. W. Ramsay & Co. The Assets and Liabilities of the partners are taken at the value assigned to them in the statement attached to the articles of agreement. Each partner is to devote his whole time to the business and is to receive interest at the rate of 5 per cent. per annum on his net investment, as shown by the above mentioned statement, such interest to be adjusted through the partners' private accounts after the Loss and Gain account has been closed, and the remaining gain or loss is to be shared, Ramsay $\frac{2}{3}$, Skelton $\frac{1}{3}$. Their investments are as follows:

C. W. Ramsay, Assets: Cash in the Merchants Bank, $3000; Dress Goods on hand, $9500; Gloves and Hosiery on hand, $2300; Staples on hand, $3700; Office Furniture, $450; Notes on hand, No. 1, made Dec. 16 by A. Sherwood for $350 at 30 days, No. 2, made Nov. 23 at 2 months by W. Teasdale for $175 with interest at 6 per cent. Accounts Receivable as follows: S. Martin, $225.50, R. Bond, $137.20, G. Mills, $260.30; unexpired insurance, $75. Liabilities: Accounts Payable, T. R. Webb & Co., $425; The W. Irwin Co., $360.20; a note made Dec. 20, at 30 days, favour T. R. Webb & Co. for $250; an accepted draft drawn at one month after date by Jeffrey & Barker, Montreal, Dec. 24, for $330.

R. H. Skelton invests Cash $7500, which is deposited in the Merchants Bank, and a draft at 10 days drawn on G. Munroe & Co., Toronto, Dec. 22, for $1000, and accepted Dec. 24

NOTE. Make the necessary opening entries in the books, post and take off a trial balance at the close. Journalize

The store is rented from G. W. Lyman at $300 a month, payable in advance. Pay the rent for January by cheque.

Engaged J. Anderson as salesman in the Dress Goods Dept. at $18 a week, and W. Wylie at $15 a week; G. Goodman and H. Birks in the Staples Dept. at $15 each per week, and T. Hand in the Gloves Dept. at $15 a week. Engaged Student as Bookkeeper at $18 a week and Miss M. Wallace as Stenographer at $10 a week.

Received the following invoice of Dress Goods from T. R. Webb & Co., Dec. 28, $\frac{3}{10}$ $\frac{n}{30}$: 20 pcs. Broadcloth, 63½, 62½, 65½, 63½, 67½, 68, 66, 72½, 69½, 70, 65½, 66½, 62½, 67½, 68½, 69, 72, 73½, 68, 67½ @ 55c.; 16 pcs. Cashmere, 65½, 67, 68½, 72, 71½, 73, 69½, 68, 69½, 66½, 65, 68, 69½, 72, 73½, 74 @ 22½c.; 24 pcs. Tweed, 67½, 65½, 68, 66½, 67, 64½, 62, 68½, 72, 71½, 74, 71, 73, 68½, 69, 71, 73, 72, 73, 66, 69, 68, 67, 68½ @ 30c.; 10 pcs. Serge, 66½, 61, 67½, 68, 72, 67, 63, 69, 72, 71 @ 37½c.

The following sales have been made: To S. Martin, $\frac{3}{10}$ $\frac{n}{30}$ 4 pcs. Satin, 62½, 67½, 72, 68 @ 67½; 3 pcs. Irish Poplin, 68½, 73½, 74 @ $2.25; 4 doz. prs. Perrin's Kid Gloves @ $6.87½; 3 bxs. Cashmere Gloves, 4 doz. prs., @ $6; 12 doz. prs. Cotton Hose (colored) @ $1.90; 8 doz. prs. Silk Hose @ $8.

To R. Bond, $\frac{3}{10}$ $\frac{n}{30}$ 3 pcs. Broadcloth, 62½, 63½, 65 @ 67½c.; 5 pcs. Tweeds, 63, 64½, 67, 65½, 69 @ 37½c.; 4 pcs. China Silk, 63½, 68, 65½, 67½ @ 35c.; 2 bxs. Cashmere Gloves, 3 doz., @ $6; 1 doz. Cape Gloves @ $10.50.

Paid for Office Supplies by cheque $25.40 and for a set of Office Books, also by cheque, $15.20.

4. Received from G. Munroe & Co., a cheque in payment of their acceptance of Dec. 22, favour R. H. Skelton. Deposit the cheque.

Paid by cheque for freight on Invoice of T. R. Webb & Co., Dec. 28, $7.25.

Received from S. Martin and R. Bond, cheques in full of account to Dec. 31. Deposited Bond's cheque and had Martin's cheque cashed, keeping the money on hand to meet expenses.

Received the following invoices:

W. Irwin & Co., Jan. 3, $\frac{3}{10}$ $\frac{n}{30}$ 10 pcs. Taffeta, 65, 67, 63½, 64, 68, 72, 73½, 69, 65, 68 @ 10c.; 16 pcs. China Silk, 70½, 67½, 66, 65½, 68, 69½, 72½, 74, 68, 66, 65, 67½, 72, 74½, 68, 65½ @ 15c.; 10 pcs. Irish Poplin, 68½, 67½, 69½, 67, 68½, 66½, 70, 67½, 69, 68 @ $1.75; 15 pcs. Chantung, 62½, 64½, 67½, 66, 69, 73, 68½, 67½, 66, 72½, 68, 67, 70, 64, 68½ @ 78c.; 20 pcs. Foulard, 67, 68½, 66, 69½, 65, 67½, 69, 65½, 66, 68½, 69, 65½, 64, 70½, 71, 63½, 68, 66½, 67, 65½ @ 37½c.

The Dominion Glove Co., Dec. 31, $\frac{3}{10}$ $\frac{n}{30}$ 24 doz. Perrin's Kid Gloves @ $9; 16 doz. prs. Cape Gloves @ $7.50; 20 doz. prs. Ringwood Gloves @ $8.70; 40 bxs. Cashmere Gloves, 55 doz. prs., @ $4.75; 10 doz. prs. Lined Buck Gloves @ $17.50.

The following sales have been made:

To Bulmer Bros., $\frac{3}{10}$ $\frac{n}{30}$ 3 doz. Black Cotton Hose @ $1.80; 5 doz. Lisle Thread Socks @ $5.85, 10 doz. Cashmere Hose @ $5.75; 6 pcs. Percale, 31½, 30½, 33½, 34, 31½, 35½ @ 12½c.; 5 pcs. Windsor Print, 22½, 25, 24½, 23½, 26 @ 8c.; 3 pcs. Gingham, 37½, 38½, 36½ @ 11½c. To Hall & Rutherford, $\frac{3}{10}$ $\frac{n}{30}$ 5 doz. prs. Huckaback Towels @ $3.60; 2 doz. Bleached Damask Table Cloths @ $30; 10 prs. Flannelette Blankets @ $1.10; 5 pcs. Heavy Denim, 37½, 38½, 39, 36½, 42 @ 18c.; 8 pcs. Plaids, 63½, 65½, 64, 72½, 68½, 67, 69½, 67½ @ 60c.; 4 pcs. Foulard, 65½, 67½, 61, 68½ @ 47c.

7. Remitted to T. R. Webb & Co., a cheque in full for their invoice received Jan. 3

Drew on S. Martin and R. Bond at sight for the amount of the sales of Jan. 3, less discount. Left the drafts at the bank for collection.

Received from G. Mills his cheque in full of account.

Paid express on the invoice of the Dominion Glove Co. by cheque $1.25

The following sales have been made :

To J. D. McArthur, 5 pcs. China Silk, 65, 67½, 69⅝, 66, 68½ @ 18c. ; 8 pcs. Taffeta, 62⅝, 61½, 67½, 68, 69⅝, 6 7,65½, 66 @ 50c. ; 6 pcs. Merveilleux, 65½, 61½, 64, 68½, 67⅝, 69 @ $1.05 ; 4 doz. Perrin's Kid Gloves @ $12 ; 5 doz. Cape Gloves @ $9 ; 2 doz. Lined Buck Gloves @ $15 ; 12 prs. Flannel Blankets @ $1.10 ; 2 doz. prs. Damask Towels @ $7.10

To Duncan Rae & Co., 5 pcs. Broadcloth, 61½, 64⅝, 67½, 69, 62½ @ 45c. ; 2 pcs. Blk. Cashmere 65½, 68½ @ 75c. ; 3 pcs. Tweed, 64, 63½, 67 @ 37½c. ; 5 pcs. Tweed, 62½, 67½, 65, 64 , 68 @ $1.05 ; 4 pcs. Grosgrain, 69½, 67½, 65, 71½ @ 62½c. ; 6 pcs. Satin, 72½, 70 , 68, 69 , 70 , 71½ @ 67½c ; 4 doz. Cotton Hose, colored, @ $2.20 ; 5 doz. Lisle Thread Hose @ $6.40 ; 3 doz. Bleached Damask Table Cloths @ $30.

The following goods have been received from the Canada Knitting Co., Jan. 5, 50 doz. Black Cotton Hose @ $1.25 ; 25 doz. Coloured Cotton Hose @ 85c. ; 10 doz. Lisle Thread Hose @ $6.50 ; 5 doz. Lisle Thread Socks @ $4.35 ; 20 doz. Silk Hose @ $22.50 ; 10 doz. Cashmere Hose @ $4.70.

6. Remitted to W. Irwin & Co., cheque for the net amount of the invoice received Jan. 4.

Paid for stamps and stationery in cash, $2.25.

The following sales have been made :

To Gilmour & Co., 6 pcs. Bleached Cotton, 37½, 35, 38½, 37, 36½, 39 @ 10c ; 4 pcs. C. Flannel, 36½, 37, 38½, 35 @ 15c. ; 5 pcs. S. Chambray, 29, 31½, 30, 33½, 32 @ 19c. ; 7 pcs. Printed Lawns, 22½, 24, 23½, 25, 26½, 24½, 22 @ 10c. ; 4 doz. prs. Ringwood Gloves @ $10.60 ; 4 doz. prs. Perrin's Kid Gloves @ $18.

D. E. Sprague, 10 pcs. Coloured Cashmere, 65½, 68½, 69, 67, 68½, 69, 70, 67, 69½, 67 @ 30c. ; 8 pcs. Serge, 67½, 68, 72, 69½, 67, 69½, 66, 70½ @ 50c. ; 6 pcs. Taffeta, 62½, 67 , 68, 66½, 69, 71½ @ 68c.

7. The bank has notified us that the drafts drawn on S. Martin and R. Bond have been collected and the proceeds, less ⅛ per cent. for collection, credited to us.

Drew on Bulmer Bros., and on Hall & Rutherford for the amount of the sales of Jan. 4, and left the drafts at the bank for collection

Remitted to the Dominion Glove Co., a cheque for the bill of Dec. 31

The following goods have been received from the Imperial Cotton Co., Jan. 5, 20 pcs. Percale, 30, 32½, 33½, 31, 35½, 33, 31½, 32, 30, 34½, 33½, 32½, 31, 33½, 34½, 34, 33 , 35, 31, 30½ @ 9¼c. ; 10 pcs. Printed Lawns, 25, 24½, 26, 23, 22½, 24, 26, 25 , 24, 23 @ 9c. ; 15 pcs. Windsor Prints, 22, 24½, 22½, 21, 25, 24½, 26, 23½, 24½, 23, 21½, 26, 24½, 25, 23½ @ 7½c. ; 12 pcs. S. Chambray, 29, 33, 29½, 30, 32½, 33½, 30, 31, 34, 32, 31½, 32 @ 16 , 8 pcs. C. Flannel, 35, 37½, 38, 40, 36 , 37, 39½, 40 @ 12½c.

The following sales have been made

To J. S. Williams, 5 pcs. Merveilleux, 63½, 61½, 65, 66½, 67 @ $1.05 , 6 pcs. Satin, 64½, 65, 67½, 62, 68½, 67 @ 67½c. ; 4 doz. prs. Ringwood Gloves @ $5.60 ; 12 doz. prs. Cashmere Gloves @ $6 ; 2 doz. prs. Cashmere Gloves @ $9 , 6 doz. prs. Black Cotton Hose @ $2.25

To J. Henderson, $\frac{3}{10}$, $\frac{n}{30}$, 8 pcs. Percale, 34^1, 33^2, 31, 33^2, 32, 35, 50, 31 @ 13c.; 5 pcs. Printed Lawns, 24^1, 25, 23^2, 26, 22- @ $12\frac{1}{2}$c.; 10 pcs. Windsor Prints, 22^1, 26^2, 24, 23^2, 24^1, 23, 25 26^2, 22, 24^1 @ 10c.; 4 doz. prs. Damask Towels @ $7.10; 5 doz. Bleached Damask Table Cloths @ $30; 10 prs. Flannel Blankets @ $1.10.

Paid the salaries for the week by cheque. Paid the bill of the Electric Light Co. in cash, $8.65.

9. D. E. Sprague has reported the sale to him on the 6th, short 3 pcs. Coloured Cashmere, 65^2, 68^1, 69, and we have credited him with the amount.

Remitted to the Canada Knitting Co., a bank draft purchased by cheque (exchange $\frac{1}{8}$) for their invoice received Jan. 5

The following goods have been received from Simpson Bros., Jan. 4, $\frac{5}{10}$, $\frac{n}{60}$: 16 pcs. Gingham, 35, 36, 37^1, 38, 36^2, 35^1, 38^1, 40, 37^2, 35^3, 34, 36^3, 38, 37^1, 39, 36^2 @ $11\frac{1}{2}$c.; 24 pcs. Bleached Cotton, 35, 36, 37, 37^1, 34, 35^2, 37, 36^3, 37, 35^2, 35^1, 38, 39^3, 37^2, 36^2, 37, 39^1, 35, 38^2, 37^1, 36, 38, 39, 37^1 @ 8c.; 20 pcs. Heavy Denims, 40^1, 42, 43^2, 47, 48^2, 41, 45^3, 47, 44, 46^2, 43^2, 47, 55, 54^3, 50, 46^2, 47, 43^1, 45^1, 48 @ 15c.; 10 doz. prs. Flannel Blankets @ 90c. a pair.

10. Drew on J. D. McArthur at sight for the amount of the sale of the 5th, and left the draft at the bank for collection.

The following sales have been made:

To Graham & Gardner, $\frac{3}{10}$, $\frac{n}{30}$, 10 pcs. Bleached Cotton, 35^1, 37, 42^1, 39^2, 37^3, 38, 43, 44^1, 38, 39 @ 10c.; 8 pcs. Heavy Denim, 38, 43^2, 47, 49, 36^3, 38, 45, 47 @ 18c.; 5 pcs. Plaids, 62^1, 65^2, 68^3, 67^1, 64^2 @ 60c.

To R. McGregor, $\frac{3}{10}$, $\frac{n}{30}$, 10 pcs. Tweeds, 64^1, 63, 67^2, 69, 67, 65^3, 68, 65, 69^1, 67 @ $1.05; 10 pcs. Black Cashmere, 68^2, 67^1, 65, 66^3, 68, 64^2, 69^2, 72^1, 68, 66^3 @ 75c.; 8 pcs. Foulard, 67^2, 61, 63^2, 65, 68^3, 67^1, 69, 64 @ 47c.; 10 pcs. Chantung, 69, 72, 67^3, 68, 67^3, 69, 64^2, 61, 67^3, 66 @ 92c.; 8 pcs. Irish Poplin, 64^2, 68, 67^1, 65^3, 66^2, 69, 67^3, 65 @ $2.25.

11. Received from Duncan Rae & Co., their cheque for the amount of the sale to them on the 5th, less discount. Deposited the cheque.

The bank has reported the drafts on Bulmer Bros. and on Hall & Rutherford, left for collection, collected and credited, less exchange $\frac{1}{8}$.

The following sales have been made:

To J. H. Hastings, sight draft on receipt of goods, less 5 , $4\frac{1}{2}$ doz. Perrin's Kid Gloves @ $12; $7\frac{1}{2}$ doz. Cape Gloves @ $10.50; 10 doz. Cashmere Gloves @ $6; 6 doz. Cashmere Gloves @ $9; 5 doz. Cashmere Hose @ $1.90; 10 doz. Cashmere Hose @ $5.75; 8 doz. Cashmere Hose @ $8.90. Draw the draft and leave it with the bank for collection.

To Wilson Rhodes & Co., $\frac{3}{10}$, $\frac{n}{30}$, $8\frac{1}{2}$ doz. Black Cotton Hose @ $1.80; 10 doz. Coloured Cotton Hose @ $2.20; 6 pcs. Percale, 30^2, 33, 35^1, 32, 34, 32^3 @ $12\frac{1}{2}$c.; 5 pcs. Printed Lawns, 24^3, 22^1, 23, 26^1, 24 @ 10c.; 15 prs. Flannel Blankets @ $1.10; $1\frac{1}{2}$ doz. Bleached Damask Table Cloths @ $30.

12. These goods have been received from the Imperial Cotton Co., Jan. 9, $\frac{5}{10}$, $\frac{n}{60}$: 20 doz. prs. Hemstitched Huckaback Towels @ $3; 15 doz. prs. Damask Towels @ $5.60; 24 doz. Bleached Damask Table Cloths @ $25; 5 pcs. C. Flannel, 37, 39^2, 36^1, 40, 38^3 @ 10c.; 12 pcs. S. Chambray, 30, 31^1, 31, 30, 33^2, 30^1, 32^1, 33, 34, 30, 31, 32^2 @ 18c.

Paid freight on the foregoing invoice in cash, $5.60.

Paid J. Mason in cash for cleaning the store, $10.50.

The bank has reported the draft on J. D. McArthur, Jan. 10, collected and credited, less exchange $\frac{1}{8}$.

Ministry of Education, Ontario
Historical Collection

The following goods have been sold to A. R. Pierson : 6 pcs. Bleached Cotton, 35, 36 , 38, 37½, 42½, 44½ @ 10c. ; 3 pcs. Broadcloth, 66½, 67, 65½ @ 15c. ; 6 doz. Lined Buck Gloves @ $15 ; 3 doz prs. Damask Towels @ $7.10 ; 5 doz. prs. H. H. Towels @ $3.60. By their request these goods have been shipped C.O.D., less 5

NOTE. Open a C.O.D. Account in the Sales Ledger and enter this sale. The discount is deducted on the bill, and may be entered through the books at full amount or net amount as desired

. : C. W. Ramsay and R. H. Skelton have each withdrawn $50 by cheque

Upon examination the Chambray in the invoice of the Imperial Cotton Co., Jan. 9, is found to be of inferior quality, and we refuse to accept it. Write them stating this fact and inquiring what they wish us to do with it.

Sold to S. Martin, $\frac{3}{10}$, $\frac{3}{30}$, 6 pcs. Broadcloth, 63½, 67½, 65, 68½, 66½, 69 @ 75c. ; 4 pcs. Black Cashmere, 68, 67½, 66, 69½ @ 55c. ; 6 pcs. Tweed, 67½, 66½, 68, 65½, 69, 67½ @ 62½c. ; 4 pcs. Serge, 68, 67½, 66½, 69 @ 80c.

Paid in cash a bill for advertising, $10.50.

14 The Imperial Cotton Co. have asked us to take the Chambray at 14c. We have agreed to this and have requested them to send us a credit note for the rebate of 4c. a yard

Received the following goods from T. R. Webb & Co., Jan. 10, $\frac{3}{10}$, $\frac{3}{20}$: 18 pcs. Broadcloth, 62½, 65, 63½, 64, 61½, 65, 62½, 61½, 60, 67, 63½, 64, 61, 65½, 67, 68½, 60, 61½ @ 35c. ; 20 pcs. Black Cashmere, 65½, 60, 67½, 64½, 66, 68½, 67, 65, 66½, 64, 67½, 62, 61½, 65, 62½, 66, 61, 67½, 64, 68 @ 55c. ; 16 pcs. Tweeds, 64, 65½, 66, 67½, 68, 64½, 65, 67 , 66, 62½, 70, 68 , 65, 64 , 62, 69 @ 87½c. ; 24 pcs. Plaids, 61, 65½, 64, 67½, 68, 69½, 67, 64½, 67½, 65, 68½, 67, 65½, 67, 66½, 64, 65½, 66, 68½, 61½, 65, 63½, 61, 62½ @ 48c.

Paid freight on the above invoice in cash, $7.75.

Received from Gilmour & Co., their cheque for the amount of the sale to them on the 6th, less discount. Deposited the cheque.

Paid by cheque the bill of the City Dray Co. for cartage for two weeks, $25.50.

Paid salaries for the week by cheque.

Post totals and take off a Trial Balance.

Write up the Expense Analysis Sheet for the two weeks.

16 The bank reports the draft on J. H. Hastings, Jan. 11, collected and credited, exchange ¼

Drew on D. E. Sprague, at 20 da. from date of the bill, for the amount of the sale of the 6th, less shortage reported on the 9th.

Remitted to the Imperial Cotton Co., a bank draft purchased by cheque, exchange ¼ , in payment of the invoice received Jan. 7

The following sales have been made

To Duncan Rae & Co., $\frac{3}{10}$, $\frac{3}{30}$, 6 pcs. Cashmere (black), 67½, 69, 68½, 67, 69½, 66 @ 25c. ; 5 pcs. Cashmere (coloured), 69, 67½, 68, 67, 68½ @ 57½c. ; 4 pcs. Tweed, 69½, 67, 68½, 66 @ 15c. ; 4 pcs. Heavy Denims, 37½, 36, 38½, 39 @ 15c. ; 5 doz. prs. H. H. Towels @ $5.80 ; 2 doz. Bleached Damask Table Cloths @ $15.

To Hall & Rutherford, $\frac{3}{10}$, $\frac{3}{30}$, 6 pcs. Heavy Denims, 37, 38½, 35, 36½, 37, 39½ @ 20c. ; 7 pcs. Bleached Cotton, 36, 37½, 38, 35½, 39, 37, 36½ @ 12½c. , 20 pcs. Flannel Blankets @ $1.25 . 5 doz. prs. Damask Towels @ $3.75 ; 4½ doz. prs. Black Cotton Hose @ 95c. ; 7½ doz. prs. Lisle Thread Socks @ $1.60 ; 2 doz. prs. Silk Hose @ $14.50

Received from the Imperial Cotton Co., a credit note for the amount of the rebate agreed to on the 14th

17. S. Martin reported the goods bought by him on the 13th, short 2 pcs. Broadcloth, 66^3, 69^1 (price 75c.). We gave him a credit note for the amount.

Received from J. S. Williams, a bank draft for the amount of the bill of the 7th, less discount

The following sales have been made:

To Bulmer Bros., 3 mo. 5/30, 5½ doz. Cape Gloves @ $13; 12½ doz. Cashmere Gloves @ $3.25; — pcs. Percale 32, 34^3, 31, 33^2, 30^2 @ 15c.; 8 pcs. Printed Lawns, 24, 22^3, 25, 26^2, 23, 22, 24, 21 @ 13c.; 3 pcs. Merveilleux, 65, 66^2, 69 @ $1.24; 3 pcs. Satin, 67^2, 69, 68^1 @ 87½c.

To G. Mills, 30 da., 4 pcs. Satin, 67, 68^2, 66, 69^3 @ 47½c.; 5 pcs. Iris'h Poplin, 65, 67^2, 68, 66, 69 @ $1.75; 6½ doz. prs. Cotton Hose @ $1; 2¼ doz. prs. Lisle Thread Hose @ $2.25; 5 doz. prs. H. H. Towels at $7.20; 15 prs. Flannel Blankets @ $1.40.

18. Simpson Bros. have drawn on us, at 60 days from date of invoice, for the amount of the purchase received on the 9th. Accept the draft.

Paid by cheque the Imperial Cotton Co.'s sight draft on us for the bill of the 12th, less rebate and discount.

The Express Co. has handed us a cheque for the amount of Pierson's C.O.D. order of the 12th.

Received from A. Sherwood, cheque in payment of his note due to-day, $350. Deposited these cheques, and the bank draft received on the 17th.

Received from W. Irwin & Co., the following goods purchased on the 17th; terms 3/10, 1/30, n/60: 10 pcs Taffeta, 65^2, 68, 64^3, 67^2, 66, 68^2, 65, 67^3, 62, 69 @ 52½c.; 18 pcs. Grosgrain, 63^2, 67, 64, 63^2, 67, 65, 67^2, 68, 66, 65^1, 68, 67^3, 66^2, 64, 69, 61^3, 62, 65 @ 55c.; 8 pcs. China Silk, 62^2, 60, 65, 67^2, 69^1, 60, 63, 64^2 @ 28c.; 16 pcs. Satin, 70, 71^2, 70, 73^1, 72, 71^3, 75, 70, 72^1, 74, 71^2, 73, 70, 72, 71, 73^1 @ 55c.

Sold to J. S. Williams, 3 mo. 5/30, 5 pcs. Coloured Cashmere, 67^2, 68, 67^3, 69, 66^2 @ 80c.; 4 pcs. Serge, 67, 68^2, 66, 69^3 @ $1.12½; 6 pcs. Plaids, 65, 67^2, 66, 66^1, 69, 67 @ $1.15; 6 doz. Perrin's Kid Gloves @ $6.87½; 4 doz. Linsl Buck Gloves @ $25; 5 doz. Lisle Thread Socks @ $8.10; 3 doz. Silk Hose @ $33

19. Drew on J. Henderson at 30 da. from date of bill, for the amount of the sale of the 7th.

Received from Graham & Gardner, their cheque for the amount of the sale of the 10th, less discount.

Bought from the Dominion Glove Co., the following goods; terms, Jan. 16, 3 mo. n/30: 24 doz. Lined Buck Gloves @ $12; 12 bxs., 18 doz., Cashmere Gloves @ $7.50; 30 doz. Perrin's Kid Gloves @ $15; 18 doz. Ringwood Gloves @ $4.50; 20 doz. Cape Gloves at $8.75.

Sold to D. E. Sprague, 2 mo. 1/30, 8 pcs. Windsor Prints, 25, 23^2, 24, 23^1, 22, 25^1, 26, 23^3 @ 11¾c.; 6 pcs. S. Chambray, 32^1, 30, 29^3, 32, 30^3, 31 @ 17½c.; 10 doz. H. H. Towels @ $3.60; 3 doz. Bleached Damask Table Cloths @ $2.75; 6 pcs. Gingham, 36^1, 37, 42^1, 38^3, 39, 43 @ 13c.

20. Bought from the Canada Knitting Co., Jan. 17, 3 mo. 1/30, 24 doz. prs. Black Cotton Hose @ $1.75; 30 doz. prs. Coloured Cotton Hose @ $1.80; 20 doz. prs. Lisle Thread Hose @ $1.80; 40 doz. prs. Silk Hose @ $11.50; 30 doz. prs. Cashmere Hose @ $1.60; 20 doz. prs. Cashmere Hose @ $6.70.

Remitted to T. R. Webb & Co., a bank draft, purchased by cheque, for the amount of the invoice received Jan. 14, less discount; exchange ¼.

Paid by cheque the express on the invoice of the Dominion Glove Co., $10.75, Jan. 16.

21. Drew on R. McGregor at 30 days from Jan. 10 for the amount of the sale of that date. Discounted the draft at the bank at 7% and deposited the proceeds; exchange ¼.

Received from Wilson Rhodes & Co., their cheque for the amount of the sale on the 11th, less discount.

Sold to J. D. McArthur, [illegible] pcs. Serge, 65, 67, 66, 64, 68, 66, 69 @ 25c.; 4 pcs. Plaids, 72, 70, 66, 67, 65 @ 17½c.; 6 pcs. Taffeta, 66, 67, 66, 68, 69, 67 @ 75c.; 5 pcs. Foulard, 66½, 65½, 67½, 68, 71 @ 68c.; 6 doz. prs. Ringwood Gloves @ [illegible] 2¼ doz. prs. Lined Buck Gloves @ $36.

Paid the salaries for the week by cheque. Bought two chairs for the office and paid for them by cheque, $12.75.

Paid the City Dray Co. for cartage out for the week [illegible] $12.50.

Deposited all cash in hand but $100.

23. Sold to J. H. Hastings, sight draft, less 5%, 4 doz. prs. Lisle Thread Hose [illegible] $8.50; 3 doz. prs. Cashmere Hose @ $8.90; 2 doz. prs. Silk Hose @ $33; 6 pcs. S. Chambray, 29, 31, 29, 33, 31, 33 @ 20c.; 8 pcs. C. Flannel, 36½, 37, [illegible] 38, 37, 39, 38, 36½, 17½; 3 pcs. Gingham, 39, 36½, 38 @ 14c.

Bought from the Imperial Cotton Co., Jan. 20, [illegible] 12 pcs. Percale, 30, 31, 34, 33, 30, 31, 31, 33, 35½, 31, 34, 32 @ 10c.; 10 pcs. Printed Lawns, 22, 26, 24, 25, 23, 22, 27, 21, 23, 26 @ 7½c.; 10 pcs. Printed Lawns, 23, 21, 25½, 26, 21, 22, 24, 23, 20, 24, 17, 19 pcs. Windsor Prints, 22½, 24, 21½, 23, 25, 26, 24, 25, 27, 26, 24, 21, 20, 21, 27, 24, [illegible] 9½c.; 8 pcs. Gingham, 35½, 37, 40, 36⅜, 41½, 43½, 39, 44½ @ 9½c.

Remitted to T. R. Webb & Co., a bank draft in payment of our note due to-day, exchange [illegible].

24. Remitted to the Canada Knitting Co., a bank draft for the amount of the bill received Jan. 20, less discount. Paid by cheque; exchange ¼.

Drew on G. Mills at 30 days from date of bill, for the amount of the sale on the 17th. Had the draft accepted and discounted it at the bank at 7%. Proceeds credited.

Sold to R. McGregor, [illegible] 5 doz. prs. Damask Towels @ $8.40; 3 doz. Bleached Damask Table Cloths @ $15; 20 prs. Flannel Blankets @ $1.25; 5 pcs. Bleached Cotton, 36, 38½, 39, 37½, 40 @ 15c.; 6 pcs. Heavy Denims, 38, 42½, 45, 39½, 44, 46½ @ 15c.

Deposit all cheques on hand.

25. Received cheques from Duncan Rae & Co., and from Hall & Rutherford, for the bills of the [illegible]th, less discount.

Drew at sight on J. H. Hastings for the bill of the 23rd, and left with the bank for collection.

Remitted to the Dominion Glove Co., a bank draft purchased by cheque for the amount of the bill received Jan. 19; exchange ¼%.

Sold to Gilmour & Co., [illegible] 5 pcs. Broadcloth, 67, 66½, 69, 68½, 70, [illegible] 67; 4 pcs. Black Cashmere, 65, 69½, 68, 72½ @ 55c.; 3 pcs. Plaids, 70, 72½, 74 @ 60c.; 5½ doz. Perrin's Kid Gloves @ $6.87½; 3¼ doz. Cape Gloves @ $9; 12½ doz. Black Cashmere Gloves @ $4.25.

Deposited the cheques received to-day. Paid a bill for Stationery in full, $7.75.

26. Sold to J. Henderson, [illegible] 12½ doz. prs. Black Cotton Hose @ 95c.; 22½ doz. prs. Coloured Cotton Hose @ $1.90; 10 doz. prs. Lisle Thread Hose @ $2.25; 10 doz. prs. Lisle Thread Socks @ $1.60; 12 doz. prs. Silk Hose @ $8; 15 doz. prs. Cashmere Hose @ $1.90.

Sold to Wilson Rhodes & Co., [illegible] 8 doz. prs. Black Cotton Hose @ $2.25; 5 doz. prs. Coloured Cotton Hose @ $2.20; 10 doz. prs. Lisle Thread Hose @ $2.25; 8 pcs. Percale, 33, 34, 31, 33, 35, 31, 33½, 30 @ 15c.; 6 pcs. Printed Lawns, 22, 24½, 25, 23½, 26, 23 @ 13c.; 7 pcs. Windsor Prints, 22, 23½, 24, 26½, 25, 24, 23 @ 11½c.

Drew on S. Martin for the amount of the bill of the 13th, less credit, and had the draft accepted.

Received from W. Teasdale, a bank draft in payment of his note, $175 and interest, due to-day. Deposited the draft.

27. Received from Bulmer Bros., their cheque for the bill of Jan. 17.

Remitted to W. Irwin and Co., a cheque for the invoice received on the 18th

Paid by cheque the freight on the invoice of the Imperial Cotton Co., received Jan. 23, $7.75, and on the invoice of the Canada Knitting Co., received Jan. 20, $12.50

Sold to Graham & Gardner, $\frac{3}{10}$ $\frac{5}{30}$ 6 pcs. Broadcloth, 62⅜, 67, 63½, 65, 69½, 67 @ 75c., 5 pcs Tweed, 65½, 63, 68½, 60½, 67 @ 37½c.; 1 pcs. Grosgrain, 65½, 64, 67½, 66½ @ $1.10; 4 pcs China Silk, 69, 67½, 62, 66½ @ 30c.; 10 doz. prs. Ringwood Gloves @ $3.50; 8 doz. prs. Lined Buck Gloves @ $15

Remitted to Jeffrey and Barker, a bank draft in payment of our acceptance due to-day; exchange ¼.

28 Received from J. S. Williams, his cheque for the bill of the 18th, and from D. E. Sprague, a bank draft for the bill of the 19th

Remitted to the Imperial Cotton Co., a bank draft, purchased by cheque, for the bill of Jan. 20, exchange ¼

Sold to S. Martin & Co., $\frac{7}{10}$ $\frac{7}{30}$ 8 pcs. S. Chambray, 29, 29½, 32, 30, 33½, 31, 30, 32½ @ 19c., 6 pcs. C. Flannel, 37½, 38½, 39, 42½, 40, 38½ @ 17½c.; 7 pcs. Gingham, 36½, 38½, 37, 39½, 36, 40½, 43 @ 14c.; 4 doz. prs. Perrin's Kid Gloves @ $18; 3½ doz. Cape Gloves @ $13; 2½ doz. Lined Buck Gloves @ $36

Paid the salaries for the week by cheque. Paid in cash a bill for advertising, $11.75.

The partners withdrew each $50 by cheque

30 The bank reported the draft on J. H. Hastings on the 25th, collected and credited, less exchange ¼ per cent. D. E. Sprague has requested us to renew for 18 days his acceptance of the 6th, due to-day. We have drawn upon him for the amount, and added interest at 7 % for 21 days

Deposited all cheques and all cash but $50.

Post up to date, post Totals and take off a trial balance

Make out the financial statements. Adjust the interest between partners through their private accounts. Close the books, closing the private accounts to the capital accounts

In balancing are the Inventories

Dress Goods and Silks	$7687.75
Gloves and Hosiery	3907.40
Staples	3751.61

Office Furniture depreciated 5 %.

Insurance paid in advance, $60. Salaries for two days.

Allow 2 % on Accounts Receivable and Bills Receivable for possible bad debts.

TRANSACTIONS FOR FEBRUARY.

1 C. W. Ramsay & Co. this day admit A. S. Rogers as partner in their Wholesale Dry Goods business, upon his paying to C. W. Ramsay cash equal to one half the amount of the capital standing to Mr. Ramsay's credit on the books of the firm, together with a bonus of $500. One-half Mr. Ramsay's capital is then to be transferred from his capital account to Mr. Rogers' capital account on the firm's books

By the new agreement, Ramsay and Skelton are each to receive a salary of $100 a month, and Rogers a salary of $50 a month. The remaining gain or loss to be divided equally.

Make the necessary entries for admitting the new partner. Post these entries and take a trial balance before going on with the work for February

Post every sale to the Sales Ledger at the time of entering it in the Sales Book; other entries at the end of the week; totals as directed.

Received from W. Irwin & Co., the following goods, Jan. 31, [illegible]: 14 pcs. Merveilleux, 70, 72½, 68½, 71, 69, 70, 73½, 67, 66, 74½, 71, 69½, 70, 68, [illegible] @ 87½c.; 10 pcs. Satin, 67, [illegible], 71, 72, 67½, 69, 65½, 68, 66½, 68 @ 55c.; 8 pcs. Irish Poplin, 68, 67, 69, [illegible], 66, 72, 70, 71, 67, [illegible] @ $1.75.

The following sales have been made:

To J. D. McArthur, 3 mo. 1 yr., 6 pcs. Broadcloth, 65, 67, 68, [illegible], 63, 67½, [illegible] @ 45c.; 4 pcs. Tweed, 69, 66½, 65, 68 @ $1.05; 5 pcs. Foulard, 72, 67½, 68, 75, 71, [illegible] @ 85c.; 5 pcs. Grosgrain, 68, 67½, 66, 69½, 73 @ $1; 8 pcs. Percale, 30, 33, 35, 32½, 31, 34, 33, 30, [illegible] @ 12½c.; 6 pcs. C. Flannel, 37, 36½, 35, 40, 38, 37 @ 15c.; 4 doz. prs. H. H. Towels, [illegible] @ $7.20; 4 doz. prs. Damask Towels @ $8.40.

To Gilmour & Co., 3 mo. 30, 6 pcs. Broadcloth, 64, 67, 65½, 63, 68, 67, [illegible] @ 50c.; 5 pcs. Serge, 68, 67½, 64, 69½, 66, [illegible] @ 50c.; 6 doz. prs. Perrin's Kid, [illegible] @ $6.87½; 8 doz. prs. Cashmere Gloves @ $3.25; 10 doz. prs. Silk Hose @ $8; 12 doz. prs. [illegible] Thread Socks @ $5.85.

Paid the rent for February by cheque.

2 Received from J. D. McArthur, a bank draft for the sale [illegible] Jan. 21, less discount.

Gilmour & Co. have written us, saying that our invoice [illegible] Jan. 25, was short 2½ doz. Black Cashmere Gloves, and requesting credit for [illegible]. We send them a credit note.

Sold to J. D. Hamilton, Wiarton, C.O.D., less 5%: 8 pcs. Chantung, 65, 67½, 69, 64, [illegible], 72½ @ 70c.; 6 pcs. Merveilleux, 67, 68½, 65, 69½, 66, 67½ @ 90c.; 9 pcs. Printed Lawn, [illegible], 23½, 24½, 26, 22½, 24, 21½, 25 @ 10c.; 6 pcs. S. Chambray, 29, 32, 28½, 31½, 30, 32 @ 17½c.; 4 doz. prs. Cashmere Hose @ $5.75; 10 doz. prs. Silk Hose @ $14.50.

Enter this the same as the sale Jan. 12.

Paid by cheque the bill of the City Coal Co., for 10 tons coal at $7.

3. The following sales have been made:

To Bulmer Bros., 3 mo. 30, 5 doz. prs. H. H. Towels @ $5.80; 3 doz. Bleached Damask Table Cloths @ $15; 10 prs. Flannel Blankets @ $1.25; 10 pcs. B. Cotton, 35, 37½, 39, 36, 35½, 31, 37½, 40, 38½, 43 @ 12½c.; 4 pcs. Irish Poplin, 68½, 67, 69½, 71½ @ $1.10.

To J. D. McArthur, 3 mo. 30, 5 pcs. Black Cashmere, 67, 69½, 64, 69½, 67½ @ 25c.; 4 pcs. Tweed, 65, 69, 68½, 66½ @ 62½c.; 3 pcs. Plaids, 68, 67½, 65 @ 17½c.; 6 doz. prs. Black Cotton Hose @ 95c.; 5¼ doz. prs. Coloured Cotton Hose @ $1; 7½ doz. prs. Ringwood Gloves @ $3.50; 5 doz. prs. Lined Buck Gloves @ $15.

4 Received from T. R. Webb & Co., the following goods, Feb. 1, [illegible]: 10 pcs. Broadcloth, 66, 68, 67½, 69, 65, 68½, 69½, 66, 68½, 64 @ 62½c.; 8 pcs. Cashmere, 67, 70½, 73, 69½, 67½, 70, 68, 72 @ 22½c.; 12 pcs. Tweed, 67, 68½, 63, 71½, 69, 66½, 72, 67, 69, 66, 65, 68, [illegible] @ 87½c.; 6 pcs. Serge, 65½, 67, 68½, 64, 71½, 73 @ 90c.; 10 pcs. Plaids, 67, 65½, 66, 68, 64, 71, 72, 73½, 69, 67 @ 95c.

Received from Gilmour & Co., a bank draft for the sale to them Jan. 25, less credit and discount.

Received from J. Henderson, a draft drawn Jan. 24 at 30 days on C. R. Ritchie in Henderson's favour for $150. The draft is endorsed in full to us, and we have agreed to apply it, less discount at 8%, on his bill of Jan. 26. He also sends us a cheque for the balance, less discount on the whole bill. Cash this cheque and use the money as required to pay current expenses.

By request we have also accepted from Wilson Rhodes & Co. their draft [illegible] Baker for $100, drawn in their favour Jan. 25, at 30 days, and endorsed to us. This draft is to be applied,

less discount at 8%, on their bill of Jan. 26, and they have enclosed their cheque for the balance of the bill, less discount.

Paid salaries for the week by cheque. Paid by cheque a bill for advertising, $10.20.

6 Sold to Gilmour & Co., [illegible] 4 pcs. Merveilleux, 65, 73½, 72, 69 @ 90c.; 5 pcs. Satin, 67, 69½, 68, 72, 71½ @ 67½c.; 5½ doz. prs. Lisle Thread Hose @ $2.25; 12 doz. prs. Lisle Thread Socks @ $5.85.

Paid in cash the freight on T. R. Webb & Co.'s invoice received Feb. 4, $5.75.

7 Received from the Dominion Glove Co., the following goods, Feb. 4. [illegible] 10 doz. prs. Perrin's Kid Gloves @ $5.75; 8 doz. Cape Gloves @ $7.50; 12 doz. Cashmere Gloves @ $4.75; 15 doz. Lined Buck Gloves @ $12.

Paid freight on the above invoice in cash, $4.50. Paid a telephone bill in cash, $1.25.

Sold to J. S. Williams, [illegible] 5 doz. prs. Damask Towels @ $3.75; 2 doz. Bleached Damask Table Cloths @ $15; 6 pcs. Heavy Denims, 36, 37, 39, 35½, 42, 45 @ 18c.; 4 doz. Perrin's Kid Gloves @ $12; 5½ doz. Cape Gloves @ $9; 4 pcs. Taffeta, 65, 67, 66, 68 @ 68c.; 3 pcs. Grosgrain, 69, 72, 75 @ 62½c.

8 Received from S. Martin his cheque in payment of his bill of Jan. 28, less discount.

Sold to R. McGregor, [illegible] 7 pcs. Black Cashmere, 68, 67, 66, 65, 68, 70, 69 @ 55c.; 9 pcs. Tweed, 65, 68, 67, 66, 69, 71, 75, 72, 73 @ 37½c.; 4 pcs. Serge, 65, 69, 71, 70 @ 50c.; 5 pcs. Foulard, 60, 64, 67, 65½, 68 @ 68c.; 6 pcs. China Silk, 65, 67, 69, 66, 68, 72 @ 65c.; 3½ doz. prs. Lined Buck Gloves @ $36; 5 doz. prs. Cashmere Gloves @ $9; 2 doz. prs. Ringwood Gloves @ $10.60.

Paid the bill of the Electric Light Co. in cash, $12.20.

9 Graham & Gardner have paid by cheque their bill of Jan. 27, less discount.

The Express Co. has to-day handed us a cheque for the amount of the C.O.D. sale to J. D. Hamilton, Feb. 2.

Received from J. Henderson, his cheque for the amount of his acceptance due to-day.

Sold to Wilson Rhodes & Co., [illegible] 6 pcs. Percale, 33½, 34, 32½, 35, 30, 31 @ 14c.; 4 pcs. Printed Lawns, 22, 24, 25, 23½, 26 @ 12½c.; 8 pcs. Gingham, 35, 36, 36, 39, 42, 40, 43, 44 @ 11½c.; 3 pcs. S. Chambray, 30, 33, 31 @ 20c.; 4 pcs. Satin, 64, 67, 68, 72 @ 87½c.; 3 pcs. Merveilleux, 72, 73, 74 @ $1.21.

10 Sold R. Manning, Gravenhurst, sight draft with B.L. less 5%, 5 pcs. Chantung, 67, 65, 68, 63, 69 @ $1.20; 7 pcs. China Silk, 65, 69, 70, 67, 75, 73, 72 @ 30c.; 4½ doz. Black Cotton Hose @ $1.80; 3½ doz. Lisle Thread Hose @ $6.40; 5 doz. Cashmere Hose @ $8.90. Drew on him at sight for the amount, less discount, attached the draft to the B.L. and left with the bank for collection.

Received from J. D. McArthur, his draft at 10 da. from Feb. 5, on George Randall, for $150. This is to be applied, less discount at 8% for unexpired time, on his purchase of Feb. 1. He also enclosed a cheque for the balance of the bill, less discount.

11 Received from Gilmour & Co., a draft drawn by them, Jan. 21, on Albert Rose, for $295 at 30 days. This draft is to be applied, less discount at 8% for unexpired time, on their invoice of Feb. 1. They also enclosed a bank draft for the balance of the bill, less discount.

Paid salaries for the week by cheque. Paid by cheque the bill of the City Dray Co., for cartage, $13.90.

The partners have withdrawn $50 each by cheque. Paid for a bill of Stationery in cash, $13.20.

Deposited all cheques and all cash on hand but $50. No exchange on bank drafts.

13. Received from the Imperial Cotton Co., the following goods: Feb. 10, [illegible] 14 pcs. Heavy Denims, 38, 42½, 45, 39½, 44, 50, 47½, 46, 38½, 41, 39, 44, 47, 49, 48 @ 17c.; 24 pcs. Bleached Cotton, 37, 36, 39, 41, 44, 43½, 42, 36, 38, 37, 40, 44, 45, 40, 41, 37, 39, 38, 35, 37, 39½, 36, 41½, 44 @ 8c.; 16 pcs. Windsor Print, 23, 24, 23, 25, 22, 26, 24, 24, 24, 25, 26, 24, 23, 25½, 24, 23 @ 9c.; 10 pcs. C. Flannel, 37, 34, 38, 39, 38, 37, 40, 38, 41, 44 @ 15c.

Sent to D. Sprague, [illegible] 6 pcs. Windsor Print, 22, 24, 23, 26, 24, 23 @ 20c.; 6 pcs. C. Flannel, 35, 37, 40, 38, 36 @ 17½c.; 4 doz. pcs. H. H. Towels @ $7.20; 3 doz. Damask Table Cloths @ $30; 20 pcs. Flannel Blankets @ $1.40; 4 doz. pcs. Lined Kid Gloves @ $25; 10 doz. pcs. Cashmere Gloves @ $6.

Remitted to the Dominion Cotton Co., a cross draft payable [illegible] for the invoice of Feb. 4.

Paid by cheque freight on the invoice of the Imperial Cotton Co. received today, $8.50.

Received from Bulmer Bros., a cheque for the amount of their [illegible] less discount, from J. D. McArthur for $175, to apply on his bill of Feb. 1.

14. Received from Gilmour & Co., a bank draft for the amount of their bill of Feb. 1, less discount.

Drew from the bank $25.50, which was paid out for sundry petty expenses.

Post up to date. Post totals and take a trial balance.

15. Drew on J. D. McArthur, at 60 da. from date of bill, for the balance due on their bill of Feb. 1.

The bank has reported the sight draft on R. Manning, Feb. 10, collected and credited, [illegible] per cent.

Received from S. Martin, his cheque for the amount of his acceptance due today.

Sold to Duncan Rae & Co., [illegible] 7 pcs. Coloured Cashmere, 67, 65, 64, 66, 69, 68, 71 @ 57½; 4 pcs. Tweed, 69, 73½, 70, 68 @ 15c.; 5 pcs. Plaid, 72, 74, 74, 70, 68 [illegible] $4.15; 3 doz. pcs. Cape Gloves @ $13; 5 doz. pcs. Ringwood Gloves [illegible] 7 doz. pcs. Lined Kid Gloves $15.

16. Received from J. S. Williams, his draft on R. Campbell, Toronto, for $32[illegible] 30 days from date, to be applied, less discount at 8% for unexpired time, on his bill of Feb. 7 [illegible] his cheque for the balance of the bill, less discount.

A. S. Rogers has paid his own expenses to Montreal on the firm's business, $47.75.

17. Received from R. McGregor, a bank draft for his bill of Feb. 8, less discount.

Sold to R. Bond, [illegible] 10 doz. prs. Black Cotton Hose @ 95c.; 25 doz. prs. Coloured Cotton Hose @ $1.90; 7½ doz. prs. Lisle Thread Hose @ $2.25; 16 doz. prs. Lisle Thread Socks $1.60; 15 pcs. Bleached Cotton, 36, 35, 37½, 38, 42, 40, 43, 40, 41, 44, 38, 36, 37, 43 @ 10c.

18. Received from George Randall, his cheque for the amount of his acceptance due today.

Received from Wilson Rhodes & Co., a bank draft for the amount of their bill of the 20th, less discount.

Sold to J. Henderson, [illegible] 8 pcs. Percale, 33, 35, 34, 34, 31, 31, 32, 34 [illegible] 4 pcs. Gingham, 36½, 39, 37½, 35½ @ 13c.; 6 pcs. C. Flannel, 37, 39, 36, 38, 36, 40 [illegible] 6 doz. H. H. Towels @ $7.20; 10 prs. Flannel Blankets @ $1.40.

Deposited all cheques on hand. Paid by cheque a bill for advertising, $13.75.

Paid salaries for the week by cheque. Gave to the Children's Hospital a cheque for $50.

19. Received from D. E. Sprague, his cheque in payment of his acceptance due today.

Received from T. R. Webb & Co., the following goods, Feb. 16, [illegible] 10 pcs. Tweed, 67, 72, 68½, 70, 69, 73½, 74, 69, 67, 75 @ 50c.; 14 pcs. Serge, 69, 67, 64, 69, 67, 66, 65, 68, 67, 69, 63, 65, 67, 66 @ 37½c.; 16 pcs. Plaids, 72, 70, 71, 68, 66, 69, 71, 75, 73, 74, 71, 68, 66, 65, 67, 63 @ 14c.; 8 pcs. Black Cashmere, 65, 69, 66, 67, 64, 68, 69, 72 @ 20c.

21 Sold to G. Mills, on account, 30 days, 5 pcs. Broadcloth, 63, 65½, 67, 69½, 72½ @ 75c., 7 pcs. Black Cashmere, 68, 67, 69, 72, 71, 73½, 65 @ 75c., 3 pcs. Serge, 72, 71, 75 @ $1.12½, 10 pcs. Plaids, 67, 66, 69, 68, 65, 72½, 73½, 67, 69, 66½ @ 17½c

22 Received from D. E. Sprague, his cheque for the bill of Feb. 13, less discount

Sold to J. Hastings, for sight draft, less 5%, 6 pcs. Taffeta, 68½, 67, 69, 73½, 75, 74½ @ 68c., 4 pcs. Foulard, 65, 69, 67, 64½ @ 88c., 3 pcs. Chantung, 69, 67, 75 @ 92c.; 12½ doz. Cashmere Gloves @ $3.25, 7½ doz. Cape Gloves @ $9; 5 doz. Lined Buck Gloves @ $36; 15 prs. Flannel Blankets @ $1.10

23 Received from G. R. Ritchie and from Albert Rose, cheques in payment of their acceptances due to day.

Remitted to T. R. Webb & Co., a bank draft purchased by cheque, exchange ½ per cent., for their bill of Feb. 16, less discount

Sold to Balmer Bros., [illegible], 10 doz. prs. Damask Towels @ $3.75; 2 doz. Bleached Damask Table Cloths @ $25, 6 doz. prs. Black Cotton Hose @ 95c., 20 doz. prs. Coloured Cotton Hose $1.90, 20 doz. prs. Cashmere Hose @ $5.75

24 Received from Duncan Rae & Co., a draft at sight on J. D. Armour, Toronto, for half their bill of Feb. 15, less discount. Leave the draft at the bank for collection

Sold to R. McGregor, [illegible], 8 pcs. S. Chambray, 30, 32½, 29½, 33, 30, 31, 30, 28 @ 12c., 10 pcs. Windsor Prints, 22, 26, 25, 24½, 22, 25, 23, 24, 26, 25 @ 8c., 7 pcs. Bleached Cotton, 35, 36, 40, 38, 42½, 44, 45 @ 12½c., 5 doz. prs. Damask Towels @ $8.40, 3 doz. prs. H. H. Towels @ $5.80, 10 prs. Flannel Blankets @ $1.40

25 Paid freight on T. R. Webb & Co.'s invoice of the 16th in cash, $6.25

Paid salaries for the week by cheque. Paid by cheque the bill of the City Dray Co., for cartage, $16.50. Deposited all cheques on hand

27 The bank has reported the draft on J. D. Armour collected and credited, less exchange ¼ per cent.

Bought from W. Irwin & Co., [illegible], 15 pcs. Taffeta, 63, 65½, 68, 66, 67½, 64, 69, 66, 68, 67, 64½, 63, 65, 67, 66 @ 52½c., 10 pcs. China Silk, 72, 71½, 67, 68, 65½, 64, 67, 69, 62, 66 @ 24c., 8 pcs. Chantung, 65, 68, 69, 66, 67, 64, 62, 68 @ 78c., 9 pcs. Merveilleux, 67, 68, 65, 67, [illegible], 69, 65, 63, 68 @ $1., 12 pcs. Irish Poplin, 65, 67, 69, 64, 68, 67, 66, 69, 65½, 67, 66, 68 @ $1.37½

Received from J. Henderson, his cheque for the amount of his bill of Feb. 18, less [illegible]

Received from T. R. Baker and from R. Campbell, cheques for their acceptances due to-day

Sold to Graham & Gardner, [illegible], 7 pcs. Black Cashmere, 68, 67, 65½, 64, 66, 69, 73c @ 25c.; pcs. Tweed, 65, 69, 67, 66½, 68c @ 15c., 6 doz. prs. Perrin's Kid Gloves @ $6.87½, 2½ doz. prs. Cape Gloves @ $10.50, 12½ doz. prs. Ringwood Gloves @ $3.50, 2 doz. prs. Lisle Thread Hose @ $6.40, 15 doz. prs. Silk Hose @ $14.50

Received from Simpson Bros., the following goods, Feb. 24, [illegible], 10 pcs. Percale, 33, 34, 32, 35, 31, 32, 30, 34, 33½, 32 @ 10½c., 12 pcs. Printed Lawns, 22, 25, 24, 26, 24, 23, 23, 24, 26, 24½, 23, 25 @ 11c., 14 pcs. Windsor Prints, 24, 26½, 23, 22½, 23, 24, 26, 25, 23½, 24½, 25, 26, 24, 25 @ 7½c., 15 pcs. Gingham, 36, 35, 39, 37, 42½, 44½, 40, 37, 38, 43, 41½, 44, 43, 42, 40 @ 11½c., 8 pcs. C. Flannel, 36, 38½, 40, 37, 39, 36, 40, 39 @ 14c.

Sold to Hall & Rutherford, [illegible], 7 pcs. Taffeta, 68, 67, 66, 69, 75, 74½, 73 @ 50c., 3 pcs. Grosgrain, 65, 69, 68 @ $1.40; 6 pcs. Irish Poplin, 62, 67, 65½, 66, 68, 72 @ $1.75, 5 doz. prs. Lisle Thread Socks @ $5.85, 14 doz. prs. Cashmere Hose @ $1.90

Accepted R. Bond's offer of 60 cents on the dollar, in full settlement of his bill of the 17th. He hands us a cheque for the amount

Credit the partners in their private accounts with their salaries for the month

Post up to date **Post totals.** **Take a trial balance** **Make out the financial statements** **Close the books**

INVENTORIES

Dress Goods	[illegible]
Gloves and Hosiery	[illegible]
Staples	[illegible]
Salaries due	
Interest accrued on Bills Receivable	
Interest on Bills Payable	

Allow 5% depreciation on first cost of Office Furniture, and 2% on Accounts Receivable and on Bills Receivable, for Bad Debts. **Insurance unexpired $45**

ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE ACCOUNTS IN THE GENERAL LEDGER SELF-BALANCING LEDGERS

Up to Set IV the balance of the Sales Ledger was entered in the trial balance as Accounts Receivable, and in the same way the balance of the Purchase Ledger was entered as Accounts Payable; and in this way the balance of the three ledgers was tested in the general trial balance. It was explained that just as the Cash balance was entered in a Cash account in the General Ledger, so the balance of the Sales Ledger might have been entered in an Accounts Receivable account and the balance of the Purchase Ledger in an Accounts Payable account; and if this had been done, the General Ledger could then have balanced independently.

But the Accounts Receivable and Accounts Payable accounts may be made out without reference to the Sales and Purchase Ledgers. To do this, it is only necessary to obtain in totals what was posted to these ledgers by items, namely, the charges and credits.

Thus for the Sales Ledger the postings to the debit side will be the amount of the charges, and this total can be obtained from the sales book. The postings to the credit side will be all payments, discounts and rebates on customers accounts, and these amounts can be obtained from the Cash Book and the Rebates Credit book. If no Rebates Credit book is kept, then the rebates would have to be posted by items from the Journal; and in the same way, if notes and acceptances are received on customers accounts these would have to be posted by items, unless a special column was provided in the Bill Book for them.

Hence the Accounts Receivable account in the General Ledger would require the following annual postings:

a Credit Sales in total to the Debit of Accounts Receivable account.

(b) Accounts Receivable from the Cash Book total to Credit of Accounts Receivable account.

c Cash Discount off Sales from Cash Book total to the Credit side of Accounts Receivable account.

d Rebates off Sales in total from Rebates Credit Book or by items from the Journal to the Credit side of Accounts Receivable account.

e Notes received on account in total from the Bill Book or by items from the Journal or Bill Book, to the Credit side of Accounts Receivable account.

That is, whatever was put into the Sales Ledger must be brought back, either by items or totals, to the General Ledger, and on the same side as it was entered in the Sales Ledger. Where posting is done by items, care should be taken to post to Accounts Receivable account at the same time as the entry is made in the Sales Ledger; and where it is done by totals it should be entered on Accounts Receivable at the same time as it is posted to the other General Ledger accounts.

The posting for the Accounts Payable account would be the same as for Accounts Receivable, except that the amounts would all have reference to Creditors' accounts instead of to Customers' accounts.

When "Accounts Payable" and "Accounts Receivable" accounts are made out for the General Ledger in this way, they are called "Controlling" or "Adjusting" accounts.

The reverse of these accounts under the same name in the Purchase and Sales Ledgers would keep those Ledgers in balance independently.

EXERCISE

Make out the Accounts Receivable and Accounts Payable accounts for the General Ledger for Sec. IV.

TO ADJUST INTEREST ON CAPITAL BETWEEN PARTNERS

Interest on capital invested may be adjusted between partners in either of two ways.

1. It may be charged to Interest account, and credited to the partners in their private accounts. It will then be carried from interest to loss and gain, and there divided between the partners in the manner agreed upon for net gain or loss.

Thus, if *A* and *B* are partners sharing gains and losses, *A* ⅔, *B* ⅓, and at the close of the year there is interest due on capital to *A* $75, and to *B* $60, entries would be made as follows:

Interest	Dr.		
A, private account	Cr.	$75	
B, private account	Cr.	60	

The interest account would then be closed to loss and gain:

Loss and Gain	Dr.		
Interest	Cr.		135

And the loss and gain account would be closed to the private accounts:

A, private account	Dr.	90	
B, private account	Dr.	45	
Loss and Gain	Cr.		135

This method puts the interest through the books just as it would have been an expense of running the business.

2. It is held by some accountants that interest on capital should not be regarded as a cost of carrying on the business, and that it should be adjusted without passing it through the interest and loss and gain accounts. Thus, in the question worked by the first method:

Interest on Capital due to *A* is	$75
" " " *B* "	60
Total interest, a loss to be borne, *A* ⅔, *B* ⅓	135
A is ⅔ of this loss	90
B is ⅓ " " "	45
A is credited with $75 interest, and charged with $90 loss	
B " " 60 " " " " 45 "	
Therefore *A*'s debit excess is $15	
B's credit " " " 15	

And the entry to adjust is:

A	Dr.	$15	
B	Cr.		15

Similarly, adjustment for the omission of a transaction affecting the rearrangement of capital may be made through the partners' accounts.

For example, *A* and *B* are partners, sharing gains and losses [illegible] *A* $\frac{2}{3}$, *B* $\frac{1}{3}$. In taking stock [illegible] and it is then discovered that an invoice of goods bought from [illegible] Ross & Co. not included in inventory at stock taking, has not been charged to Merchandise nor credited to Ross. The omission may be adjusted through the capital accounts as follows:

A	Dr.	$200	
B	Dr.	100	
Ross & Co.			300

EXERCISE ON ADJUSTMENTS BETWEEN PARTNERS

1. *A* and *B* are partners, sharing gains and losses in the proportion $\frac{2}{3}$ and $\frac{1}{3}$. *A*'s investment is $75,000; *B*'s $40000. Each is allowed interest at 6% on capital. Make the entry to adjust this through capital accounts.

2. *A*, *B* and *C* are partners sharing gains and losses as follows: *A*, $\frac{1}{2}$; *B*, $\frac{1}{3}$; *C*, $\frac{1}{6}$. *A*'s investment is $60000, *B*'s $50000, *C*'s $12000. Allow each interest at 4% on capital, and make the entry to adjust through capital accounts.

3. *A*, *B*, *C* and *D* are partners sharing gains and losses as follows: *A*, $\frac{1}{2}$; *B*, $\frac{1}{3}$; *C*, $\frac{1}{12}$; *D*, $\frac{1}{12}$. *A*'s investment is $75000, *B*'s $60000, *C*'s $90000, *D*'s $13000. Allow interest at 4% on capital, but adjust through capital accounts.

4. *A* invested Jan. 1 $8000 and withdrew May 1 $700, Oct. 1 $900. *B* invested Jan. 1 $6000 and withdrew June 1 $400. *C* invested Jan. 1, $12000, and withdrew April 1 $900. Aug. 1 agreed to share net gains and losses equally. Allow each interest at 6% on investments, to charge the same on withdrawals. Make the entry to adjust the interest at the end of the year.

5. *A* and *B* are equal partners in a lumber business with capital $50000 each. They value the goodwill of the business at $40000. They agree to admit *C* and *D* as equal partners upon payment to each of *B* of such sums as will entitle each of them to a $\frac{1}{4}$ interest in the business.

(a) Make the Journal entry to adjust.

(b) If *C* and *D* had paid into the business cash sufficient to entitle them to a $\frac{1}{4}$ interest, what would have been the Journal entry?

6. *A*, *B* and *C* are partners, with capital $24000, $36000, $32400 respectively. They agree to admit *D* as partner upon his paying into the business such amount as will entitle him to a $\frac{1}{4}$ interest. *A*, *B* and *C* then decide to pay and receive such sums among themselves as will leave them equal in capital.

(a) Make the entry for the admission of *D*.

(b) Make the entry for adjustment among *A*, *B* and *C*.

If the money had been paid into and out of the business as the partners settled between *A*, *B* and *C*, what would the entry have been?

7. Jan. 1, *A* begins business with cash $5000, which he has borrowed on his note at one month. Feb. 1, he admits *B* as a $\frac{1}{3}$ partner upon payment of the note to *A*. Give the Journal entry.

8. *A* owns a business worth $40000. He requires more capital and he agrees to admit *B* and *C* as partners, each to have an interest in the business upon their paying into the business $20000 each and paying *A* each the sum of $10000 each. Give the Journal entry.

9. *A* and *B* who have been partners for five years, desire in order to increase their business to admit *C* as an equal partner. the latter to pay a certain sum to [illegible] *A* and *B*'s capital as shown by the books, and, in addition, $3000 in lieu of goodwill.

(a) **Make the entry** for the goodwill so that *C* will share in it

(b) Make the entry for the goodwill so that only *A* and *B* would share in it.

PARTNERSHIP SETTLEMENTS

In making partnership settlements care must be taken to observe the principles involved in the financial statement, and to carry out the agreement entered into by the partners as to the annual adjustment or the dissolution settlement, as the case may be.

The financial statement, from a set of books kept by double entry, consists of three parts:

1. The Statement of Losses and Gains
2. The Summary of the Capital Account
3. The Statement of Assets and Liabilities

The three results obtained are: 1. Net Gain or Loss. 2. Net Credit or Net Investment. 3. Net Capital or Net Worth.

Each of the results may be obtained in two ways, one of which checks or proves the correctness of the other. Thus:

Net Gain	Total Gains	Total Losses
+	Net Capital	Net Credit
Net Credit	Investment	Withdrawals
+	Net Capital	Net Gain
+	Net Capital	− Net Loss
Net Capital	Total Assets	Total Liabilities
or	Net Credit	+ Net Gain
+	Net Credit	Net Loss

It will be seen from the foregoing that withdrawals must be deducted from first or original investment to get net investment, to which net gain is added to give net capital. A separate capital account must, therefore, be kept for each partner and the net gain must be divided properly according to agreement. The sum of the net capitals of the partners will then give the net capital as shown by the account of Net Capital and Liabilities. In case any partner's loss exceeds the amount of his net resources, it is deducted from the net capital of the other partners to give the net capital of the business.

EXERCISE ON PARTNERSHIP SETTLEMENTS

1. C. Carter and L. Walker are partners. By agreement, each is to receive a salary of $100 a month, the remaining gain or loss to be shared according to investment. Carter invests $12000; Walker $8000. The gain for the year, after partners' salaries have been paid, is $4500.

Show their capital accounts properly closed.

2. E. Wheeler and A. Bain are partners. Each is to receive 5% per annum interest on capital and a salary of $75 a month. The remaining gain or loss to be divided, Wheeler ⅗, Bain ⅖. Wheeler invests $8000; Bain $5,500. The total gain for the year is $3600.

Show their capital accounts properly closed.

3. B. Fawcett and A. Thompson are partners under agreement to share gains and losses according to average investment. Fawcett invested, Jan. 1, $1770; Feb. 10, $650; May 22, $500; withdrew, June 5, $350; Aug. 13, $400. Thompson invested, Jan. 1, $2300; April 6, $1100; withdrew, Sept. 7, $900. The gain for the year is $775.

Show their capital accounts properly closed.

4. **Green and Walker** are partners. They share gains and losses, Green ⅔, Walker ⅓. Their present assets are $9357, and liabilities $3362. Green invested $5000 and withdrew $220. Walker invested $4000 and withdrew $312. Required, the capital accounts properly closed.

5. **Rogers and Chandler** began business a year ago, under agreement that each should receive a salary of $50 a month, and share remaining gains and losses, Rogers ⅔, Chandler ⅓. Their present assets are $9920, liabilities $3430. Rogers invested $4000 and withdrew $750. Chandler invested $3000 and withdrew $2990. Required, the capital accounts properly closed.

6. **Britton and Oliver** close business as follows: Cash on hand, $750; cash deposited, $2000; accounts receivable, $1160; sundry debtors, $560; goods on hand, $[illegible]. Furniture, $300; [illegible]. They owe notes payable $220, and on open accounts $460. Write off [illegible]. Britton has invested $4000 in assets and liabilities $425. He withdrew $220 and is allowed interest on investment, $[illegible]. Oliver began with assets $4000 and liabilities $1250. He invested in the firm $[illegible]; is allowed interest $80. They share gains and losses equally.

Make out a statement of assets and liabilities and show the capital of each partner.

7. **Gordon, Hay & Keith** close [illegible]. Cash on hand, $[illegible]; deposited, $2000; notes on hand, $[illegible]; accounts receivable, $[illegible]; [illegible]. Furniture, $[illegible]; bad debts, $[illegible]; goods on hand, $1750. [illegible]. They owe notes outstanding $960, and [illegible]. Gordon has put in $4000 and withdrawn $[illegible]. He is allowed interest $195, and a salary of $[illegible]. Hay has put in $3000 and withdrawn $[illegible]. He is allowed interest $200, and a salary of $[illegible]. Keith has put in $2000 at the beginning of the year, $2000 more [illegible]. He has withdrawn $500. The profits [illegible] Gordon ½, Hay ¼, Keith ¼.

Make out the statement of assets and liabilities and show the capital of each partner.

8. **Noyes & Moore** [illegible]. Cash on hand, $[illegible]; deposited, $2000; [illegible]; notes receivable, $[illegible]; [illegible]; furniture, $[illegible]; [illegible]; goods on hand, $[illegible]; [illegible]; sundry debtors, $[illegible]; [illegible]. They owe notes payable, $[illegible]; [illegible]; sundry creditors, $[illegible]; [illegible]. Noyes has invested $[illegible] and withdrawn $[illegible]. He is allowed interest on investment, $[illegible]. Moore has invested $[illegible] and withdrawn $[illegible]. They have agreed to allow interest at the beginning of the year on capital invested. Noyes, [illegible]; Moore, [illegible].

Make out the capital accounts and show the capital of each partner.

9. **A, B and C** are partners. [illegible] and $[illegible]. [illegible]. B has a horse which cost $[illegible], and which is appraised at $[illegible]. Merchandise, $[illegible]; [illegible]; and, $1460. Accounts Receivable, $[illegible]; [illegible]; possible bad debts, [illegible]. Notes Receivable, $[illegible]. Notes Payable, $[illegible]. Bills Payable, $[illegible]. Accounts Payable, $[illegible]. Interest accrued on Bills Receivable, $[illegible]. Interest on Bills Payable, $[illegible]. C has invested $[illegible] in real estate, $[illegible]. [illegible]. A, B and C are equal in standing. [illegible].

Make out the statement of assets and liabilities and show the capital of each partner.

10. **A, B and C** are partners [illegible]. Merchandise, $[illegible]; [illegible]; and, $10600. They have gained $[illegible] on [illegible]. [illegible]. A's investment has increased $[illegible]; B's, $[illegible]. [illegible]. C has withdrawn $[illegible]. In addition, $200 interest [illegible]. They have [illegible] equally, and were equal in standing.

Required, the capital accounts [illegible].

THE BANK COLUMN IN THE CASH BOOK

We have seen that the Bank account is kept in the Cash Book. [illegible] the Bank Dr. column is [illegible] account and the Cash Dr. column [illegible] side of the Cash Book [illegible].

made for every cheque drawn, and the Bank Dr. and Cr. columns were totalled, to get the total Cash Dr. and Cr. preparatory to finding the cash balance.

These columns may be interchanged, and the Bank Dr. column would then be on the debit side of the Cash Book, and the Bank Cr. column on the credit side. This method of keeping the Bank account would require only one entry for each cheque, but two entries for each deposit, and the Bank column would not be included in finding the cash balance.

Still another method frequently adopted for keeping the Bank account in the Cash Book is to put both Dr. and Cr. columns on the credit side of the Cash Book. By this method neither deposits nor cheques require two entries, and the Bank totals are not included in finding the cash balance.

By entering all items debit or credit, which represent actual cash in the general column as well as in the special column when such entry is necessary, the transfer of totals to the general column for closing may be avoided. The Ledger folio is then entered in the special columns under the totals of these columns, as shown in the illustrations following.

In a large business where much cash is handled it is advisable to divide the cash book into "Cash Received Book" and "Cash Paid Book," the small items of expense being entered in a "Petty Cash Book," and amounts transferred weekly from the "Cash Paid Book" to the "Petty Cash Book" to cover the petty expenses of the week.

The transactions for the illustrations are those of the first four dates in the exercise following the illustrations. The book has not been closed at the end of the third date.

EXERCISES ON THE CASH BOOK

1. Rule a Cash Book with special columns on the debit side for Accts. Receivable, C. Disc. Dr., Bank Dr., and on the credit side for Accts. Payable, C. Disc. Cr., Bank Cr., and enter the following:

May 1 J. Stewart continues business with Cash on hand, $220, and in the Bank of Montreal, $4360.

2 Received cheques in full of the following accounts: J. Mason, $320, less 3%; F. Willard, $165, less 5%; R. Holmes, $195, less 4%; and in payment of the following notes: B. Brown's, $77.50 and interest $1.50; R. Davis's, $125, less discount for unexpired time, $2.20.

Paid by cheque the following bills: R. Taylor's bill of Apr. 30, $270, less 4%; P. Walker's bill of Apr. 26, $467.50, less 4%; D. Gardiner's bill of Apr. 29, $277.50, less 2%, also my note in favour M. Crane, $262.50, less discount for unexpired time, $4.50.

Petty expenses paid by cheque, $47.50.

Deposited all cheques on hand (exchange ¼%, but not less than 10c. on any cheque) and all cash on hand (at $100).

3 Drew from the bank $100, to be paid out in wages.

Withdrew for private use by cheque, $250.

Paid for postage in cash, $5.

Close the Cash Book and bring down the balances. Show proper checking.

4 Received cheques in full of the following accounts: R. Hart, $177.60, less discount, $2.60; H. Riddell, $215.10, less disc., $12.30; P. Walker, $115.60; J. Taylor, $77.50, less disc., $1.20; also in payment of the following notes: S. Burrows, $133.60, and interest, $1.10; S. Ewing, $177.60, and interest, $2.15.

Paid by cheque the following bills: J. Coates's bill of Apr. 25, $220, less 3%; A. [illegible] bill of Apr. 27, $312.50, less [illegible].

6 Discounted notes on hand Nos. 1, 2 and 3, amounting to $775, discount charged, $7.60. Proceeds deposited.

Deposited all cheques on hand, exchange $5.

Paid for repairs in cash, $15.60

Close the Cash Book and bring down balances. Show a trial balance correctly extracted.

5. Rule a Cash Book with special columns on the debit side for Accts. Receivable, Cash Dis., Bills Receivable, and Int. and Disc. Cr., and on the credit side for Accts. Payable, Cash Disc. and Bank Dr. and Cr., and enter the same transactions.

6. Rule a Cash Book with special columns on the debit side for Accts. Receivable, Cash Disc. Dr., Bills Receivable and Int. and Disc. Cr., and on the credit side for Accts. Payable, Cash Disc. Cr. and Bank Dr. and Cr., and enter the following transactions:

L. Chapman commences business with cash, $4,000; deposits same in the Merchants' Bank, $3,500.

Bought by cheque from the Montreal Supply Co., raw materials, $1,000.00.

1 Paid by cheque agent's salary, $120, and insurance, $15.

1 Sold Mdse. for cash, $9.50.

7 Paid S. Burrows & Co., by cheque, for invoice of the 2nd, $40, less 5%.

8 Received from B. James, cash for invoice of the 3rd, $280, less 5%.

12 Paid Simpson & Smith, by cheque, for invoice of the 9th, $700, less 5%.

14 Sold Mdse. for cash, $7.20.

14 Paid B. Adams, by cheque, for invoice of the 7th, $100, less 5%.

Received from E. Philips, cash for invoice of the 10th, $17.00, less 5%.

15 Prepaid by cheque my note favour T. Day, face, $60, discount $2.10.

Withdrew from bank, $430, and paid wages as per pay-list.

Close the book and bring down balances.

17 Paid by cheque, B. Carter & Co., for invoice of the 14th, $120.00, less

18 Paid by cheque, Warwick Bros., for invoice of the 15th, $75, less

19 Received from W. Parker, cash for bill of 17th, $275, less

20 Received from W. Snyder, his cheque in payment of [illegible]

Petty Cash Sales, $8.40.

21 Paid petty expenses in cash, $10.40.

Deposit all cheques on hand (exchange [illegible] and [illegible] less $100.

22 Prepaid by cheque my note favour W. Morton, $700, [illegible] $7.15.

Paid petty expenses in cash, $10.15.

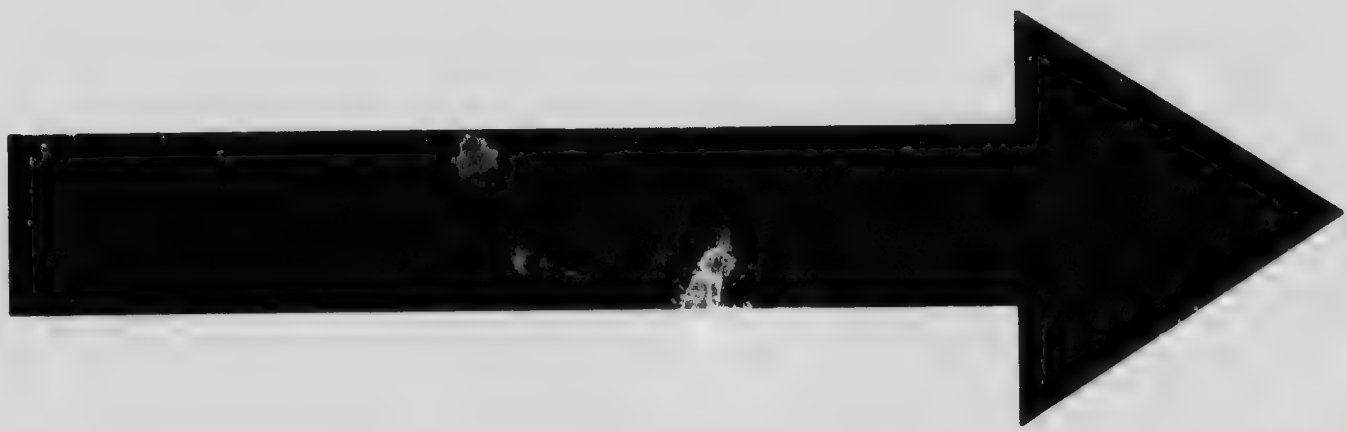
Close the cash book and bring down balances. Post and take off a trial balance.

6. Rule a Cash Book with columns as in Ex. 5 above, and enter the following transactions:

BRANCH STORE ACCOUNTS

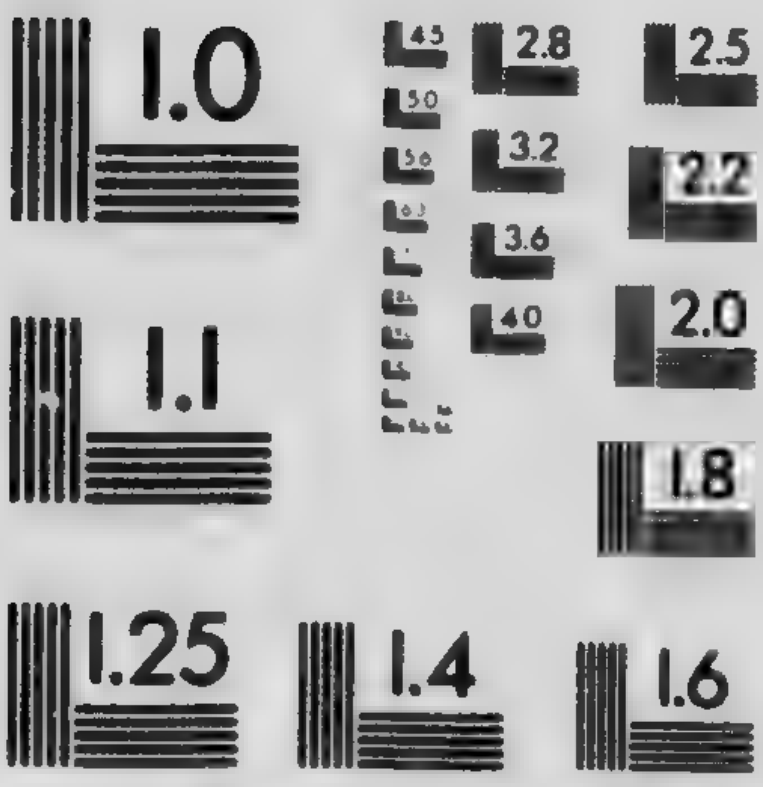
In Set IV. the Ledger was divided into three parts — General, Private and Stock — the basis of division being personal accounts debit and credit. It was shown that, by means of petty books and special columns, a summary might be made of the debits and credits of the special Ledgers, and such summaries entered in the General Ledger under the names "Accounts Receivable" and "Accounts Payable," formed what are called *controlling* or *adjusting* accounts, which served the double purpose of checking the balance of the special Ledger and keeping the general Ledger in balance independently.

But the division of the ledger might have been made on the basis of departments, instead of on the basis of personal accounts. The special Ledgers would then show in detail the business of the several departments, and the controlling accounts in the general Ledger would give a summary of the business of each department.



MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



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In like manner, where there are branch stores, the business of the branches may be kept in separate ledgers, and a summary or controlling account for each branch kept in the General Ledger. It will then make no difference whether the branch Ledger and its various subsidiary books are kept at the branch or at the main office. They all form part of one system of bookkeeping, and by means of the controlling account become part of the record of the General Ledger.

In order that the books of the branch may balance independently, a "Head Office" account should be kept, and this account will be the reverse of the controlling account in the General Ledger, which should bear the designation of the branch to which it belongs, as "Queen Street Branch," "Berlin Branch," etc.

The Branch Store controlling account is, in effect, a Mdse. or Trading account. It should be debited with all *costs* of the branch, whether of goods, expenses, etc., and credited with all returns. The inventory will, however, be, not the goods on hand, but the *total net resources* at closing. It is closed to Loss and Gain, and must show the same net gain as the financial statement made from the books of the branch.

EXAMPLE OF CONTROLLING ACCOUNT FOR BRANCH

QUEEN STREET BRANCH

Jan.		*Balances, viz.*		Jan.	4	*Cash on Acct.*	
		Goods on hand	720	"	4	" *Sales*	
		Accts. Rec.		"	31	*Inventories*	
		Cash on hand				*Goods on hand*	
Jan.	1	*Goods supplied*				*Accts. Rec.*	
	1	*Clerk's salary*				*Cash*	
	1	*Rent*					
	4	*Net Profit*					
Feb.	1	*Balances, viz.*					
		Goods on hand					
		Accts. Rec.					
		Cash					

NOTE.- The Branch referred to in the above account has its own complete set of books. Goods are supplied from the main stock, and cash received for sales or on account is remitted daily to the Head Office. All expenses are paid from the Head Office. The controlling account is completed from data furnished by the Branch at the end of the month.

By the use of special columns in the books of the Head Office, most of the items in this account may be checked.

EXERCISE ON BRANCH STORE ACCOUNTS

1. P. Roland has opened a branch store, and placed C. Bradshaw in charge. The stock of goods at beginning amounts to $3580. The rent is to be $20 a month, and Bradshaw is to receive a salary of $40 a month. The accounts are kept at the Head Office in a separate Ledger, and show at the end of the year: Purchases, $6690; Freight, $160; Cash Sales, $2260; Credit Sales, $5380; Cash received on account, $2690; Rent and Salary paid in full; Sundry Expenses, $225. The stock of goods at the end of the year amounts to $3990.

Make out the Financial Statement for the Branch and the Controlling Account for the General Ledger.

2. F. Watson & Co. have engaged D. Henderson, and placed him in charge of a branch store, agreeing to pay him $20 a month and 5% commission on sales. The store is rented at $45 a month.

The books are kept at the branch store, and Henderson is started with goods, $5760 and cash $450. At the end of 15 months the books show purchases $6290, less discounts allowed, $210. Freight, $150. Cash Sales, $2580; Credit Sales, $4330; received on account, cash $3509.70 and notes $760; there is cash on hand, $220; on deposit, $694.70; notes outstanding, $735; accounts payable, $1250; general expenses cost $340; rent and salary are paid for 12 months, and $300 has been paid to Henderson on account of commission. Henderson has received $75 for running the post office, and has paid $35 for insurance. The stock on hand is valued at $6000, and there are accounts receivable $60.30.

Make out the Financial Statement for the Branch, and the Controlling Account for the General Ledger at the main office.

3. Barber Bros. have opened a branch store in charge of G. Brown, and have supplied him with goods, $3360, and cash, $90. They have rented the store at $25 a month, and are to pay Brown 10% commission on all sales. The accounts are kept at the branch store. At the end of the year Brown's books show: Purchases, $9960; Freight, $270; Cash Discounts on Purchases, $220; Cash Sales, $6560; Credit Sales, $5270; Sundry Expenses, $125; Insurance on Stock, $25. The rent has been paid, and Brown has received $770 on account of his commission. There are accounts payable, $4250; bills receivable, $1360; accounts receivable, $3505; cash on hand, $75; mdse. on hand, $4220. Cash received on account, $405.

Make out the Financial Statement for the Branch and the Controlling Account for the General Ledger at the main office.

4. Hart & Davis have opened a branch store, and placed E. Ford in charge. He has a stock of goods, $2760, and cash, $175. The accounts are kept at the head office and in the same books as the main business. The store is rented at $30 a month, and Ford is paid 8% commission on sales. At the end of the year the books show purchases for the branch, $7760, less discounts, $160. Freight, $330. Cash Sales, $3370; Credit Sales, $5720; Insurance paid, $30; Rent paid for 11 months. Commission paid to Ford, $650. There is a stock of goods now on hand, $3500, and accounts receivable $325.

Make out the "Branch Store" account in the General Ledger.

5. Warnock & Co. open a branch store, and place J. Fowler in charge. He is given a stock of goods valued at $3770, and cash, $75. The store is rented at $50 a month, and Fowler is to receive $75 a month. The books are kept at the branch. During the year there is purchased for the branch goods worth $4560. Fowler has reported cash sales, $2740, and credit sales, $1980. At the end of the year there are goods on hand, $5200, and Fowler's books show Accts. Pay., $1770, and there are notes payable, $360. The rent and salary for the year have been paid, and $400 has been remitted to Warnock & Co. Fowler's cash book shows a balance of $455, and there is this amount of cash in the till. Find the gain for the year. Is Fowler's cash balance correct?

6. Sylvester & Co. have a branch store in charge of E. Seymour. At the beginning of the year the branch is charged in the books of the firm with $6200, made up of goods, $4700, notes, $220; accounts receivable, $1200; and cash, $240; with bills payable outstanding, $160. The books are kept at the branch. The rent is $60 a month, and Seymour's salary is $90 a month. Nine months later a fire occurs and the stock is completely destroyed. The books and papers are all saved but the bill book. Upon examination the books reveal the following: Goods bought, $7300; goods sold, $8500; cash on hand, $1700; accounts receivable, $2500; accounts payable, $2400; expenses paid, $175; horse and delivery wagon cost $195 (now worth $180); insurance paid, $50. Eight months' rent and salary have been paid. The bank balance is $720. There are notes receivable on file, $600, and this is thought to be correct. If the insurance company pays over the amount of the insurance, $4500, what will then be the gain or loss on the branch? What is the amount of outstanding notes?

COMMISSION SALES ACCOUNT

A firm sometimes sells goods for a manufacturer or producer, though it does not wish to purchase and carry a stock of such goods. The sales are then usually made on commission. Orders are taken in the usual way and [illegible] from a stock supplied by the manufacturer, or they are forwarded to the manufacturer, [illegible] s direct to the purchaser.

As the [illegible] not bought, but only sold for account of the manufacturer, the account kept is really a perso[illegible]t. It is credited with all sales made on commission, and charged with rebate and returns from [illegible], commission on actual sales, and all remittances on account. When the commission has been charged in full, the balance of the account, if any, is a liability.

[Illustration]

THE WESTERN MILLING CO. FLOUR ACCOUNT

Jan.	1	Cash	1	500	Jan.	31	[illegible]	[illegible]	900
	28	Returns	1	00					
	31	Com[illegible]	1	25					
	31	Balance		275					
					Feb.	1	Balance		500

ANALYSIS SHEET FOR DEPARTMENT PURCHASES

Department Purchases, Freight Paid, for *March*, 19[illegible]

Invoice No.	Teas and Coffees	Canned Goods	Dried Fruits	Biscuits	Sugar	Sundries	Total
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	250 15
[illegible]	225 08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	268 48
[illegible]	[illegible]	[illegible]	248 [illegible]	[illegible]	[illegible]	[illegible]	128 67
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible] 32	[illegible]	300 32
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	350 [illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	75[illegible] 30
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	188 60	188 60
	[illegible]	[illegible] 20	[illegible] 1	228 [illegible]	[illegible]	188 60	1315
Returns	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	14 25
Net Purch.	[illegible]	[illegible] 20	[illegible] 1	228 [illegible]	[illegible]	188 60	1301 [illegible]

* Freight entered in Red Ink

SET V

WHOLESALE GROCERY BUSINESS

SPECIAL FEATURES. Use of the Analysis sheet for the distribution of Purchases and Sales to Departments. Use of Rebates Books, debit and credit

INSTRUCTIONS

a) BOOKS TO BE USED. Purchase Book, Sales Book, Rebates Debit Book, Rebates Credit Book, Cash Book, Bill Book, Journal, all as principal books; General, Purchase, Sales Ledgers

b) The business is divided into departments, as follows

Canned Goods	: Fish, Fruits, Vegetables
Tea and Coffee	: Teas, Coffees, Cocoa
Dried Fruits	: Evaporated Apples, Figs, Prunes, Raisins, Currants, Dates
Sugars	:
Biscuits	
Sundries	: Soap, Matches

c) The terms of sale are uniform, and are as follows

3 mos., 3 % off in 15 da.	: Teas and Coffees.
30 da., 1% off in 15 da.	: Dried Fruits, Biscuits, Canned Goods
Net Cash	: Sugars, Sundries

d) PURCHASES. The Purchase Register will have only one column for totals. The Analysis Sheet will be used for distribution to departments. It should be written up at the middle and end of each month, the data being obtained from the Invoices and the Cash Book, the amounts of the invoices being entered in their proper column, and the freight being taken from the Cash Book and entered in red ink over the invoice to which it belongs. At the end of the month the sheet will be totalled, and then the rebates and returns, as shown by the rebates debit book, will be deducted, showing the net purchases in each department

e) SALES. The items must be entered in the Sales Book, grouped according to terms, 3 mos. goods, then 30 da. goods, then net cash. These must be posted to the customers' accounts as separate bills, the terms being entered in the explanation column of the account.

Use the Analysis Sheet for distribution to departments, obtaining the data from the Sales Book. Write up the Analysis Sheet at the middle and end of the month. At the end of the month total it, and deduct rebates and returns, as shown in the rebates credit book. This will give the net sales for the month

f) To find gain by departments: Add to the Inventory at beginning the net cost of goods purchased, and from this total deduct the inventory at closing. This will give the cost of the goods sold, by departments; and by deducting these amounts from the amount of the sales by departments, we obtain profits by departments. This data should be entered in a third analysis sheet, entitled Profits by Departments

g) To avoid making the work too involved, provision has not been made for distributing the Cash Discounts to departments. Instead, the Cash Discount is posted to one account from the Cash Book columns, and this account is then closed to the Loss and Gain account, as is done by some accountants

h) The Cash Book should have the following columns: Debit—General, Accts. Rec., Cash Dis. Dr., Bank Dr. Credit—General, Accts. Pay., Cash Disc. Cr., Expense Dr., Bank Cr.

i) Keep a Merchandise account in the Ledger in the three divisions—Mdse. Purchases, Mdse. Sales, Mdse. Inventory. Keep a Freight account, post to it by items from the Cash Book, and close it to Mdse. Purchases

j) As to exchange, charge no exchange on local cheques; on all others charge ¼ %, but in no case less than 10 cents

k) Post to the Expense account in totals from the special column in the Cash Book. Close the account directly to Loss and Gain account, using the analysis sheet for the detailed information necessary for the financial statement

DIRECTORY

Archer, Joseph, Goderich.
Beattie, D. A., Galt.
Blackwell, H. E., Gravenhurst.
Bogutus, H. R., Hull, Que.
California Fruit Co., San Francisco, Cal.
Canada Soap Works, Toronto.
Coates, A. C., Collingwood.
Dunlop, C. R., Lindsay.
East India Tea Co., New Westminster, B.C.
Evans & Co., R. A., Owen Sound.
Freeman, A. W., Alexandria.
Gorman, E. R., St. Marys.
Harrison, H. R., Listowel.
Jackson & Son, Charles, St. Catharines.
Keith, M. E., Ayr.
Leonard, F. & B., Toronto.
McArthur, J., Toronto.
Merchant, B. C., Toronto.
Newell & Reid, London.
Ontario Biscuit Co., Toronto.
Osborne, F. J., Linwood.
Standard Refining Co., Montreal.
Welland & Welland, Picton.
Western Milling Co., Winnipeg.
Vancouver Canning Co., Vancouver, B.C.
All others, Toronto.

LEDGER LINES

Purchase Ledger. Two pages, 4 accounts to the page.

Sales Ledger. Four pages, 4 accounts to the page.

General Ledger. Accounts Receivable, $\frac{3}{4}$ page, Accounts Payable, $\frac{3}{4}$ page, Goodwill, $\frac{1}{4}$ page, P. Hamilton (Cap. Acct.), P. Hamilton (Priv. Acct.), J. Boulton (Cap. Acct.), J. Boulton (Priv. Acct.), each $\frac{1}{2}$ page; In Freight, 1 page; Mdse. Purchases, Mdse. Sales, each $\frac{1}{2}$ page; Mdse. Inventory, $\frac{2}{3}$ page; Cash Discount, General Expense, Interest and Discount, Commission, Bad Debts, Loss and Gain, each $\frac{1}{3}$ page. All others $\frac{1}{2}$ page.

MEMORANDA OF TRANSACTIONS

March

Toronto, Mar. 1, 19– . P. Hamilton and J. Boulton have agreed to enter into a partnership for the purpose of carrying on a Wholesale Grocery Business under the following conditions:

1. The firm name is to be P. Hamilton & Co
2. P. Hamilton is to invest cash, $5000, and J. Boulton is to invest cash, $4000.
3. Each is to receive interest at 5 per annum on capital invested and to be charged the same rate on withdrawals.
4. The remaining gains and losses are to be shared equally.
5. The partnership is to continue for five years.
6. In case of dissolution, realization losses are to be shared equally.

Each partner hands in a marked cheque for the amount of his investment, and the cheques are deposited to the credit of the firm in the Merchants Bank.

They have decided to purchase the Wholesale Grocery Business of J. H. McFarlane, 35 Front St. E. Mr. McFarlane has submitted a statement of the present standing of his business, and it has been agreed that P. Hamilton & Co. shall assume all Liabilities and take over all Assets at the value set down in the statement, except that an allowance shall be made of 2% on Accounts Receivable for possible bad debts; and McFarlane shall be allowed a bonus of $1000 in lieu of the goodwill of the business

Of the net amount, one-half is then to be paid in cash and the balance in two equal notes of 30 and 60 days without interest

The statement is as follows

Assets			
Goods as per Stock list		4152 75	
Accounts Receivable as follows			
J. McArthur	536 10		
A. C. Coates	273 15		
R. A. Evans & Co.	320 15		
E. R. Gorman	426 20		
B. C. Merchant	325 15		
Newell & Reid	239 75		
		2120 50	
Rent, 1 month, paid in advance		150	
Office Furniture		150	
Bills Receivable		350	
Insurance, 10 months in advance		62 50	
			7185 75
Liabilities			
Bills Payable		330	
Accounts Payable as follows			
East India Tea Co		720	
Standard Refining Co		600	
			1650
J. McFarlane, Net Capital			5835 75

The necessary adjustments are made for bad debts and goodwill, and a cheque is then given for one-half the net capital then standing to J. McFarlane's credit, and two equal notes at 30 and 60 days without interest for the balance

Make a statement of Assets and Liabilities showing the adjustment. Make all necessary opening entries.

Post. Take a Trial Balance. Remember the Accounts Receivable and Accounts Payable Accounts in the General Ledger.

Engaged D. Hunter and R. Miller as salesmen at $15 a week, student as bookkeeper at $12.50 a week, and Miss J. Moore as stenographer at $7.50 a week.

McFarlane's lease of the store has two years still to run; we have assumed the lease

Bought of the City Coal Co. 10 tons coal at $6.75. Paid the bill by cheque.

Remitted to the East India Tea Co., a bank draft purchased by cheque for their bill of Feb. 25, $720, less discount 2%. Exchange ½

Received from A. C. Coates, his cheque for the bill of Feb. 22, $273.15, less 1%

Received from the Vancouver Canning Co., an invoice of Mdse., Feb. 23, ⅜, ⅝, ⅛: 20 c/s Kippered Herrings, 1 lb., 80 doz., @ 90c.; 16 c/s Lobsters, 1 lb., 64 doz., @ $1.80; 10 c/s Oysters, 1 lb., 40 doz., @ $1.80; 20 c/s Salmon, 1 lb., 80 doz., @ $1.70; 30 c/s Sardines, ¼ lb., @ $11.25 per case

Paid freight on the above invoice by cheque, $22.45.

Remitted to the Standard Refining Co., a cheque for the bill of Feb. 22, $600, less 1½%

Drew on R. A. Evans & Co. at 30 da. for the bill of Feb. 17, $320.15, and left the draft with the bank for collection enter in the B. B.

Drew on J. McArthur at 30 da. from Feb. 10 for the bill of that date, $317.50, and had the draft accepted.

4. Sold to F. & B. Leonard, 2 c s Kippered Herrings, 1's, 8 doz., @ $1 ; 4 c s Salmon, 1's, 16 doz @ $1.85 ; 5 c s Can. Corn, 2 lb. tins, 10 doz., @ 75c. ; 3 c s Can. Tomatoes, 3's, 6 doz @ 85c. ; 4 c s Evaporated Apples, ea. 50 lbs., @ 7c. ; 4 bxs. 30 40 Cal. Prunes, 25 lbs. ea., @ 7c

Sold to J. McArthur, 1 chest Ceylon Tea, 60 lbs., @ 22c. ; 2 hf.-ch. Gunpowder Tea, 79-13 81-15 @ 35c. ; 2 bxs. Breakfast Cocoa, 6 lbs. ea., @ 25c. ; 3 bxs. 80 90 Cal. Prunes ea. 25 lbs., @ 6c. ; 4 bxs. Layer Raisins, ea. 22 lbs., @ $1.50 per box

Remitted to the Vancouver Canning Co., a Bank draft purchased by cheque for the net amount of their bill of Feb. 23, exchange ½ .

Received from E. R. Gorman, his cheque for the bill of Feb. 20, $126.20, less 1 .

Pay the salaries for the week. Draw one cheque for the full amount, then make the payments in cash

Pay by cheque the bill of "The Daily Standard," for advertising for the week, $9.75.

Deposited all cheques on hand.

Post up to date and find the Cash and Bank balances, but do not post totals nor close the Cash Book

6. Received from the East India Tea Co., an invoice of Mdse., Feb. 26, $\frac{2}{30}$ $\frac{5}{10}$: 20 bxs. B. Cocoa, 1 lb. tins, 120 lbs., @ 23c. ; 15 bags Java Coffee, 110 6, 106 9, 108-8, 107 9, 109-10, 110-8, 109 8, 107 10, 106 11, 108 12, 110 9, 103 8, 107 10, 109 11, 103 8 @ 22½c. ; 40 tins Mocha Coffee, ea. 25 lbs. net, @ 18c. ; 30 c s Eng. Breakfast Coffee, ea. 24 lbs., @ 28c

Sold to D. A. Beattie, 4 c s Can. Corn, 2's, ea. 2 doz., @ 75c. ; 3 c s Can. Tomatoes, 3's, ea. 2 doz., @ 85c. ; 4 25 lb tins Mocha Coffee @ 20c. ; 5 c s Eng. Breakfast Coffee, ea. 24 lbs., @ 32c. ; 3 bxs. 90 100 Cal. Prunes, ea 25 lbs., @ 5c.

Received from B. C. Merchant, his cheque for bill of Feb. 25, $325.15, less 1 .

Drew on J. McArthur at 30 da. from Feb. 19, payable at the Merchants Bank, for bill of that date, $218.60. Had the draft accepted and discounted it at the Bank at 7 , proceeds credited

Paid by cheque for a bill of Stationery, $17.10.

Gave D. Hunter and R. Miller, each a cheque for $15 to cover travelling expenses for the week.

Paid by cheque, freight on Invoice from the East India Tea Co., $27.60.

7. Sold to J. Archer, 4 c s Evaporated Apples, 50 lbs. ea., @ 7c. ; 5 bxs. Layer Raisins, ea. 22 lbs., @ 7c. ; 6 hf. c s Currants, 70 12, 80 10, 76 12, 75-9, 77-10, 74-11 @ 8¼c. ; 3 bxs. Dates, 72 7, 74 7½, 73 7 @ 6c.

Received from Newell & Reid, their cheque for bills of Feb. 28, $110.50, less 3 , and $129.25, less 1 .

Deposited all cheques on hand

Drew from the bank $50, to be used in paying petty office expenses

Paid for postage stamps in cash, $2.60.

8. Received from the California Fruit Co., an invoice of Fruit, Feb. 25, 30 da., 2 disc. for cash on receipt of Invoice : 15 c s Evap. Apples, 50 lbs. ea., @ 5½c. ;

10 " 25 lb. bxs. 30 40 Cal. Prunes, 375 lbs., @ 10c. ;
20 " 40 50 " " 500 " @ 9½c. ;
10 " 80 90 " " 250 " @ 5c.
10 " 90 100 " " 250 " @ 4c. ;

20 bxs. Figs, 10, 12, 11½, 10, 10½, 12½, 12, 11, 11½, 11½, 10, 11, 10, 10½, 11, 11¾, 11, 12½, 12, 10- Less ½% @ 8%

Note In all cases the [illegible] is 5 pounds only, drop all fractions, large or small

Sold to A. C. Coates, 5 bbls. Gran. Sugar, 320-23, 325-21, 322-22, 324-21, 320-23 @ 4¼c.; 3 bbls. Yellow Sugar, 320-24, 322-22, 324-21 @ 4¼c.; 4 c.s Maple Syrup, 1 gal. tins, ea. 2 doz., per gal. $1.05.

Bought at the bank, by cheque a bill of exchange on San Francisco at 100½, and remitted to the California Fruit Co. in payment of the invoice received to-day.

Paid by cheque, freight on Invoice of California Fruit Co., $10.20.

9. Sold to R. A. Evans & Co., 2 doz. bxs. Abernethy Biscuits, ea. 6½ lbs., @ 13c.; 1½ doz. bxs. Fig Bar, each 12¼ lbs., @ 13½c.; 2½ doz. bxs. Ginger Snaps, each 7½ lbs., @ 11½c.; 5 bxs. Sapolio, ea. ½ gross, per box $2.85; 5 c.s Surprise Soap, 100's, per case $4; 3 c.s Safety Matches, 70's, per case $3.60.

The Fruit from the California Fruit Co. was received to-day. Paid for duty, 20%, and brokerage ½%, by marked cheque.

10. Sold to H. R. Harrison, 3 c.s Lobsters, 1's, ea. 4 doz., per doz. $2; 5 c.s Sardines, ¼'s, ea. 100 tins, per c.s $12.50; 6 hf. ch. Japan Tea, ea. 85 lbs. net, @ 18c.; 3 hf. ch. Y. H. Tea, $2.15, $5.14, $4.15 @ 25c.; 4 bxs. 30-40 Cal. Prunes, ea. 25 lbs., @ 12c.

Drew on H. R. Harrison at 15 days from date, for the amount of these goods, and left with the bank for collection.

Paid in cash the bill of the City Cartage Co. for delivering goods, $3.25.

11. Received from the Standard Refining Co. the following invoice, Mar. 7, 1-10, 30 days: Gran. Sugar, 320-21, 325-23, 326-21, 323-20, 320-21, 325-21, 322-23, 323-20, 320-20, 324-21, 323-21, 323-21, 320-20, 321-21, 320-21, 323-21, 320-20, 325-20, 325-21, 323-21, 324-21, 324-22, 320-20, 324-22, 322-24, 324-23, 321-24, 325-22, 321-25 @ 4¼c.; 20 c.s Yellow Sugar, 325-22, 325-20, 320-22, 322-21, 320-22, 324-21, 320-22, 323-21, 321-20, 322-20, 322-20, 323-24, 325-20, 322-21, 323-21, 321-20, 325-21, 324-23, 325-25, 320-23 @ 4¼c.; 30 c.s Gold Medal Syrup, 2 lb. tins, 2 doz. ea., per doz. $1.05.

Sold H. E. Blackwell, C.O.D., 4 c.s Peaches, 2's, ea. 2 doz., @ $1.75; 3 c.s Peas, 2's, ea. 2 doz., @ 75c.; 5 bxs. Sultana Raisins, ea. 25 lbs., @ 7c.; 2 bxs. Dates, 72-7, 73-7 @

Drew on H. E. Blackwell, on demand, for the amount of the above invoice, less 1%, attached the draft to the Bill of Lading, and left with the bank for collection.

Sold to B. C. Merchant, 4 bbls. Yellow Sugar, 320-22, 323-21, 321-22, 324-21 @ 4¼c.; 10 pails Icing Sugar, ea. 30 lbs., @ 6½c.; 3 c.s Maple Syrup, 1 gal. tins, ea. 2 doz., per gal. $1.05.

D. Hunter reports travelling expenses for the week, $12.10, and R. Miller, $13.25.

Drew a cheque for the amount of the salaries for the week, and paid the employees in cash.

Paid by cheque, the bill of "The Daily Standard" for advertising, $12.50.

Post up to date. Find Cash and Bank balances.

13. Gave to D. Hunter and R. Miller, each a cheque for $15, to meet travelling expenses for the week.

The invoice of the Standard Refining Co., received on the 11th, was found to be short 4 c.s of Gold Medal Syrup. Write them requesting credit for this amount.

Sold to C. R. Dunlop, 5 ch. Ceylon Tea, 101-19, 103-20, 105-21, 104-19, 105-20 @ 28c.; 3 hf. ch. Oolong Tea, 57-10, 60-12, 58-11 @ 22½c.; 5 bags Golden Rio Coffee, 129-10, 135-12, 128-10, 133-11, 140-10 = @ 30c.; 2 doz. bxs. Fig Bar, ea. 12¼ lbs., @ 13½c.; 3 doz. bxs. Ginger Snaps, ea. 7½ lbs., @ 11½c.

Sold to E. R. Gorman, 4 c.s Apples, 1's, ea. ½ doz., per doz. $2.40; 3 c.s Pineapples, 1's, ea. 4 doz., per doz. $1.25; 5 bxs. B. Cocoa, ½'s, 30 lbs. net, @ 25c.; 4 bags Java Coffee, 106-6, 109-8, 107-9, 110-7 @ 28c.; 3 bxs. Sultana Raisins, ea. 25 lbs., @ 7c.

14. Received from the Ontario Biscuit Co., the following invoice, Mar. 13, 2/10, n/30: 8 doz. bxs. Oyster Bis., ea. 4½ lbs., @ 8¾c.; 8 doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 11¼c.; 7 doz. bxs. Fig Bar, ea. 12¼ lbs., @ 11¾c.; 9 doz. bxs. Ginger Snaps, ea. 8 lbs., @ 9¼c.; 20 bxs. Soda, ea. 18 lbs., @ 10½c.

Sold to Newell & Reid, 5 bbls. Gran. Sugar, 320-22, 325-20, 323-21, 320-22, 323-20 @ 4¾c. 3 hf-ch. Y. H. Tea, 82-16, 83-15, 85-16 - @ 25c.; 2 bags Java Coffee, 106-9, 108-7 @ 28c.; 4 hf. c s Currants, 70-10, 75-12, 77-11, 76-9 = @ 8½c.

Drew on C. R. Dunlop at 15 da. from the 13th, for the bill of that date, and left with the bank for collection.

15. The bank presented the sight draft of the Standard Refining Co., for the amount of their invoice of the 7th, less disc. Paid it by cheque.

Drew on B. C. Merchant at 15 da. from Mar. 11, for the amount of the bill of that date. Had the draft accepted and discounted it at the bank at 7%. Proceeds credited. (Enter in B. B.)

Received from J. McArthur, his cheque for $100 on his acceptance due to-day. He asked us to draw on him at 30 da. for the balance of the bill. Drew the draft at 30 da. with interest at 6 per cent. per annum, and had it accepted.

Paid the City Cartage Co. for delivering goods, cash $1.25.

Paid the Light bill for the past month in cash, $7.10.

Mr. Hamilton and Mr. Boulton each withdrew by cheque $50.

Post up to date. Post totals. Close the Cash Book and bring down balances. Take a Trial Balance.

16. Sold to Chas. Jackson & Son, 3 c s Lobsters, 1's, ea. 4 doz., per doz. $2; 5 c s Salmon, 1's, ea. 4 doz., per doz. $1.85; 10 c s Parlour Matches @ $5.20; 8 c s Sunlight Soap @ $4.10.

The bank reports the draft on H. E. Blackwell, Mar. 11, collected and credited, less exchange 10c.

Received from F. & B. Leonard, cheque for amount of their bill of Mar. 4, less discount.

17. Received from the East India Tea Co., the following goods, Mar. 10, 2/30, n/60: 15 ch. Ceylon Tea, 103-18, 101-19, 103-18, 105-19, 102-20, 103-17, 104-20, 105-20, 103-18, 105-?, 104-17, 103-18, 105-17, 102-18, 105-17 @ 24c.; 10 hf-ch. Japan Tea, 85 lbs. ea. net @ 16c.; 8 hf-ch. Oolong Tea, 57-10, 60-12, 58-11, 59-12, 57-10, 56-11, 58-11, 60-10 = @ 20c.

Sold to F. & B. Leonard, 4 hf-c Oolong Tea, 57-10, 59-11, 58-10, 60-12 = @ 22½c.; 3 ch. Ceylon Tea, 180 lbs. net @ 22c.; 5 c s Evap. Apples, ea. 50 lbs., @ 7c.; 2 bxs. 40-50 Cal. Prunes, ea. 25 lbs., @ 12c.

We have to-day received a letter from E. R. Gorman stating that the Java Coffee sold him on the 13th is inferior in quality and asking that an allowance be made in price. Newell & Reid have also written to the same effect, and we send a credit note to each, allowing a rebate of 3 cents a pound.

Paid by cheque, freight on the Invoice of the East India Tea Co., $15.75.

18. Received from the Canada Soap Works, the following Invoice, Mar. 17, 2/10, n/30: 1 doz. bxs. Kitchen Sapolio, ea. ¼ gross, per box $2.55; 20 c s Comfort Soap, 100's, per case $3.50; 20 c s Surprise Soap, 100's, per case $3.50; 15 bxs. White Castile Soap, ea. 3 doz., per doz. 40c.

Sold to A. W. Freeman, C.O.D., less 3%, 3 bxs. Layer Raisins, ea. 22 lbs., per box $4.50; 4 bxs. Sultana Raisins, ea. 25 lbs., @ 7c.; 3 bxs. Dates, 72, 72, 74-22½ @ 6c. Shipped by Dominion Express.

Received from the Standard Refining Co., a credit note for 1 c s G. M. Syrup, short on Invoice of the 7th. (Enter in Rebates Dr. book.)

Received from A. C. Coates, his cheque for the amount of his n c purchase of the 8th

D. Hunter reported travelling expenses for the week, $10.25 ; R. Miller $11.20

Drew a cheque for the amount of salaries for the week, and paid it out in cash

Paid the "Daily Standard" by cheque, for advertising for the week, $11.75

Post up to date. Find Cash and Bank balances

Gave D. Hunter and R. Miller, each a cheque for $10 to cover travelling expenses for the week

Sold A. C. Coates, 3 bbls. Gran. Sugar, 325 21, 322 20, 320 23 @ 4½c. ; 1½ doz. bxs. Ginger Snaps, ea. 7½ lbs., @ 12½c. ; 3½ doz. bxs. Oyster Crackers, ea. 4½ lbs., @ 10½c

Sold F. J. Osborne, C.O.D., less 3 , 3 c/s Surprise Soap @ $4 ; 8 c/s Sunlight Soap @ $4.10 10 c/s Telephone Matches @ $4.35

Drew on F. J. Osborne, on demand, for the net amount of the above sale, attached the draft to the B/L and left it with the bank for collection

Received from the East India Tea Co., a credit note for 3c. a pound on the Java Coffee, received on the 6th inst.

Paid with bank draft purchased by cheque (exchange ¼), the invoice of the East India Tea Co., received Mar. 6, less rebate and discount

The bank has to-day returned the draft of the 14th on C. R. Dunlop, dishonoured, exchange 10c The draft and discount allowed are both charged back to his account

Received from Welland & Welland, an invoice of canned fruit, Mar. 18, 4 , 20 c/s Apples, 1 gal., 10 doz., per doz. $2.15 ; 12 c/s Peaches, 2's, 24 doz., per doz. $1.55 ; 22 c/s Pineapples, 1's, 88 doz., per doz. $1.10 ; 60 c/s Can. Corn, 2's, 120 doz., per doz. 67½c. ; 20 c/s Peas, 2's, 40 doz., per doz. 67½c. ; 22 c/s Tomatoes, 3's, 44 doz., per doz. 75c

Sold to H. R. Harrison, 6 c/s Oysters, 1's, 12 doz., per doz. $2 ; 3 c/s Sardines, ¼s, @ $12.50 5 c/s Kippered Herrings, 20 doz., per doz. $1 ; 6 bags Java Coffee, 106 9, 108 7, 107 10 110 s, 108 9, 106 10 @ 28c.

Sold to Joseph Archer, 12 bxs. Figs, 10, 12, 11, 12½, 10, 10, 12, 11, 11½, 12, 10½, 11 (tare 10), @ 10½c. ; 3 bxs. 80-90 Cal. Prunes, ea. 25 lbs., @ 6c. ; 2 doz. bxs. Water Wafers, ea. 5½ lbs., @ 13c. ; 6 bxs. Soda Bis., ea. 18 lbs., @ 12c

Paid by cheque, the Invoice of the Ontario Biscuit Co. of Mar. 13, less discount.

C. R. Dunlop has returned 2 chests of the Ceylon Tea sold to him on the 13th, 101 19, 103 20, and we have given him a credit note for the amount

Received from D. A. Beattie, his cheque for the net amount of his 3 mos. and 30 da. bills of the 6th.

Deposited all cheques on hand.

22 Received from J. Archer, his cheque for the amount of his bill of the 7th, less discount

Drew on C. R. Dunlop at 3 mos. and 30 da., for the amount of the bills of the 13th, less returns, and left the drafts with the bank for collection.

Paid in cash the City Cartage Co.'s bill for delivering goods, $1.45.

Paid for postage stamps in cash, $3.10

Paid by cheque, a bill for painting done to Mr. Boulton's private residence, $22.50

23. Sold to J. McArthur, 2½ doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 12½c. ; 1½ doz. bxs. Oyster Crackers, ea. 4½ lbs., @ 11½c. ; 8 bxs. Soda Bis., ea. 18 lbs., @ 12c. ; 6 c/s Can. Corn, 2's, 12 doz., per doz. 75c. ; 10 c/s Peas, 2's, 20 doz., per doz. 75c

Received from the Dominion Express Co., a cheque for the amount of the sale to A. W. Freeman, Mar. 18, less exchange 10c.

Drew on R. A. Evans & Co., on demand, for the amount of their bills of Mar. 9, less disc. on the 30 da. bill, and deposited the drafts in the bank, exchange 25c.

Drew on H. R. Harrison, at 15 da. from Mar. 21, for the amount of the bills of that date, less disc and left the draft at the bank for collection.

The bank reported the draft on R. A. Evans & Co., Mar. 3, collected and credited, less exchange 40c.

24. **Received from H. R. Boynton, an invoice of Matches, Mar. 23,** $\frac{1}{10}$, $\frac{1}{20}$, 20 c/s Safety Matches 70's, @ $3.20; 15 c/s Telephone Matches @ $3.85; 10 c/s Parlour Matches, 100's, @ $4.70.

Sold to C. R. Dunlop, 4 c/s Sardines, $\frac{1}{4}$'s, @ $12.50; 5 c/s Oysters, 1's, 10 doz., per doz. $2; 3 c/s K. Herrings, 1's, 12 doz., per doz. $1; 6 c/s Safety Matches @ $3.60.

Paid by cheque, T. Rennie's bill for repairs and alterations to shelving, $7.30.

Paid by cheque, the freight on the Invoice of H. R. Boynton, $8.75.

25. Remitted to Welland & Welland, Picton, a cheque for the amount of their invoice of the 18th, less disc.

Remitted to the Canada Soap Works, a cheque for the amount of their invoice of the 17th, less disc.

J. McArthur's acceptance in our favour, due at the bank yesterday, was dishonoured, and the bank has charged it to us, with protest fee 50 cents. Charged this back to his acct.

Sold to B. C. Merchant, 6 chests Ceylon Tea, 101-19, 105-20, 103-20, 102-20, 105-19, 104-19 @ 28c.; 4 hf ch. Y. H. Tea, 82-16, 84-16, 83-15, 85-14 = @ 25c.; 15 pails Icing Sugar, ea. 30 lbs., @ 6$\frac{1}{2}$c.

D. Hunter has reported travelling expenses for the week, $11.35; R. Miller, $10.75.

Paid the salaries for the week. Use one cheque.

Paid by cheque, the bill of "The Daily Standard" for advertising, $10.75.

Deposited all cheques on hand. Post up to date. Find cash and bank balances.

27. Received from the Vancouver Canning Co., the following Invoice, Mar. 20, $\frac{3}{15}$, $\frac{n}{30}$: 15 c/s Kippered Herrings, 1's, 60 doz., per doz. 90c.; 15 c/s Oysters, 1's, 30 doz., per doz. $1.80; 16 c/s Salmon, 1's, 64 doz., per doz. $1.20.

Sold to Newell & Reid, 10 bxs Figs, 10, 12, 10½, 11½, 12, 11, 10, 12½, 10, 12 (tr. c 10) @ 10½c.; 8 bxs. 30-40 Cal. Prunes, ea. 25 lbs., @ 12c.; 5 bxs. 90-100 Cal. Prunes, ea. 25 lbs., @ 5c.

Sold Chas. Jackson & Son, 8 c/s Apples, 4 doz., per doz. $2.40; 6 c/s Pineapples, 24 doz., per doz. $1.25; 10 c/s Can. Corn, 20 doz., per doz. 75c.; 10 c/s Pears, 20 doz., per doz. 75c.

Five cases of the Safety Matches received from H. R. Boynton on the 24th were found to be defective, and have been returned and charged to his account.

Arranged with J. McArthur to draw on him at 30 da. from Mar. 24 for $175, on account of his acceptance due on that day and dishonoured. He has paid the balance of the acceptance, the protest fee, 50 cents, and interest at 6% on the renewal in cash.

Gave to D. Hunter and R. Miller each a cheque for $15 to meet travelling expenses.

Paid by cheque, freight on Invoice of the Vancouver Canning Co. received to-day, $11.35.

28. Sold R. A. Evans & Co., 6 25 lb. tins Mocha Coffee @ 20c.; 8 h c Oolong Tea, 57-9, 59-12, 58-10, 60-11, 59-10, 60-9, 57-8, 59-12 @ 22½c.; 10 bxs. Sapolio @ $2.85; 8 bxs. White Castile Soap, ea. 3 doz., per doz. 45c.

Remitted to the Vancouver Canning Co. a Bank draft, purchased by cheque (exchange ⅛%), for their invoice of the 20th, less disc.

The Bank reported the draft on F. J. Osborne, collected, proceeds credited; collection charges, 20c.

Received from E. R. Gorman, his cheque for the amount of his 3 mos. and 30 da. bills of Mar. 13, less disc. and rebate.

Received from Chas. Jackson & Son, their cheque for $120 in payment of their n/c bill of Mar. 16, the balance to apply, less disc., on the 30 da. bill of the same date.

Received from the East India Tea Co., an Invoice of Tea as follows, Mar. 20, [illegible] 10 Chests Ceylon Tea, ea. 60 lbs. net, @ 19c., 15 h c Gunpowder Tea 79 12, 80 10, 81 10, 81 10, 80 9, 83 11, 82 10, 77 10, 82 9, 80 12, 80 9, 82 10, 81 12, 78 11, 80 1 [illegible] 7 [illegible] 8 h c Japan Tea, ea. 85 lbs. net, @ 16c.; 8 h c Y. H. Tea, 83 10, 82 15, 84 1 [illegible] 85 10, 84 14, 83 13, 82 15 = [illegible] @ 23c.

Received from D. A. Beattie, his cheque for the amount of his note No. 1, $350, due to-day.

The Bank reported the draft on H. R. Harrison, due yesterday, collected and credited less exchange 10c.

Drew on B. C. Merchant at 15 da. from Mar. 25, for the amount of his bills of that date, less disc. on the 3 mos. bill. Had the draft accepted.

Received from Newell & Reid, their cheque for the amount of their bills of Mar. 14, less disc. on the 3 mos. and 30 da. bills and rebate.

Paid, in cash, the bill of the City Cartage Co. for delivering goods, $3.15

Paid by cheque, freight on Invoice of the East India Tea Co., $23.50

Sold to E. R. Gorman, 6 c s Oysters, 1's, 12 doz., per doz. $2; 5 c s K. Herrings, 1 s, 20 doz., per doz. $1; 4 c s Can. Tomatoes, 3's, 8 doz., per doz. 85c.; 7 c s Can. Corn, 2 s [illegible] doz., per doz. 75c.

Received from F. & B. Leonard, their cheque for the amount of their 3 mos. and 30 da. bill at Mar. 17, less discount.

Remitted to the East India Tea Co., a bank draft purchased by cheque for the i [illegible] of Mar. 3 less disc. Exchange ½ .

Received from A. C. Coates, his cheque for the amount of his n e bill of Mar. 20

Deposit all cheques on hand.

Adjust the interest between the partners, through their private accounts

Post up to date. Post Totals. Close the Cash Book and bring down balances. Take a Trial Balance. Make the Financial Statements. Close the Books

INVENTORIES, Mar. 31: Goods on hand, $6274.54; Office Furniture, depreciated 5 . Insurance 9 mos. in advance: allow 2 on Accounts Receivable for Bad Debts: Coal on hand, 5 tons, @ $6.75. Salaries unpaid, $——. Travelling expenses to date, $20.

Distribution of Goods to Departments

INVENTORY Mar. 1

Canned Goods	*2476.5*	
Tea and Coffee	*1751.10*	
Dried Fruit	*417.80*	
Sugar	*720.65*	
Biscuits	*583.80*	
Sundries	*422.7*	
		$7372.77

INVENTORY, Mar. 31

Canned Goods	*1546.90*	
Tea and Coffee	*2619.10*	
Dried Fruit	*308.20*	
Sugar	*1037.80*	
Biscuits	*328.10*	
Sundries	*337.24*	
		6177.34

MEMORANDA OF TRANSACTIONS

APRIL

April 1, 19– Remitted to H. R. Boynton, a Bank draft purchased by cheque, exchange $\frac{1}{8}$%, for the invoice of the 23rd, less returns and discount.

Received from C. R. Dunlop, his cheque for his net cash bill of Mar. 24, and drew on him at 30 da. for the amount of the 30 da. bill of the same date.

Sold to Joseph Archer, 5 c s Salmon, 1's, 20 doz., per doz. $1.85; 3 c s Kippered Herrings, 1's, 1 doz., per doz. $1; 6 c s Peaches, 2's, 12 doz., per doz. $1.75; 10 tins Mocha Coffee, ea. 25 lbs net @ 20c.; 4 bags Golden Rio Coffee, 120-10, 125 11, 130 10, 135 12 @ 30c.

Paid the salaries for the week by cheque.

D. Hunter reported travelling expenses for the week, $12.05, and R. Miller, $11.30.

Paid by cheque, the bill of "The Daily Standard" for advertising, $11.20.

Entered into an agreement with the Western Milling Co. to sell their flour. All orders received are to be handed over to the office of the Company in Toronto, and they are responsible for delivery. We are to receive a commission of 10% on net sales. Commission is to be charged and settlement made twice a month.

Mr. Hamilton and Mr. Boulton each added $750 to his investment. Cheques were received for these amounts and deposited.

3 Received from the California Fruit Co., an invoice of fruit, freight prepaid, Mar. 21, 30 da., 2% disc for cash on receipt of the invoice: 20 bxs. Layer Raisins @ $4; 30 bxs. Sultana Raisins, 25 lbs. ea., @ 5½c.; 30 hf ch. Currants, 70 9, 78 10, 80 12, 77 11, 76 8, 80 10, 78 12, 77 10, 77 8, 77 10, 80 11, 70 12, 77 10, 76 9, 76 10, 75 9, 76 10, 78 9, 79 12, 77 10, 74 12, 78 8, 78 12, 76 12, 74 11, 76 10, 74 10, 80 9, 72 10, 77 12 @ 6½c.; 10 bxs. Dates, 72 7, 73 7½, 74 7, 72 7½, 73 7, 72 7, 74 7½, 74 7½, 72 7, 73 7½ @ 4¼c.

Sold to D. A. Beattie, 10 c s Apples, 1's, 5 doz., @ $2.40; 4 c s Pineapples, 1's, 16 doz., @ $1.25; 8 c s Tomatoes, 3's, 16 doz., @ 85c.; 6 bxs. Layer Raisins, ea. 22 lbs., per box $4.50; 4 hf. ch. Currants, 70 12, 72 10, 75 9, 80 11 = @ 8½c.

Remitted to the California Fruit Co., a bill of exchange for the net amount of their invoice received to day. Rate of exchange 100½

Gave to D. Hunter and R. Miller, each a cheque for $10, on account of travelling expenses.

Paid by cheque, the 30 da. note given to J. McFarlane, in payment of his business.

Paid rent for April by cheque.

4 Sold to F. & B. Leonard, 6 bbls. Gran. Sugar, 320 23, 325 21, 322 20, 324 20, 323 22, 321 23 = @ 4¼c.; 3 bbls. Y. Sugar, 325 22, 324 21, 322 24 @ 4¼c.; 4 h c Y. H. Tea, 82 16, 85 15, 83 15, 84 16 @ 25c.; 10 bbls. Superior Flour, ¼'s, @ $5.60.

J. McArthur finds that for want of sufficient capital he is unable to continue his Grocery Business at 1001 Queen St. E., and we have agreed to take over the business and conduct it as a branch store, with Mr. McArthur in charge. We have gone over the business with him, and find the present standing as follows: Stock on hand, $1250; Accts. Receivable, $450; Accts. Payable, $350; Bills Payable, $675; Insurance paid in advance, $11.25. It is agreed between us that McArthur shall receive a salary of $50 a month and a commission of 2% on sales. The books are to be kept at the branch, and all cash received is to be deposited daily in the Merchants' Bank, to the credit of the Head Office. Reports of Sales and of Cash receipts are to be rendered semi weekly, and all bills are to be handed over to the head office for payment. We

take over the lease of the store at $30 a month, and the unexpired insurance, 9 months, $11.25. His acceptances in our favour are to be charged to his account, and he is then allowed a discount of 10 % on the balance of the account.

Make and post the entry for carrying this 10 % to Bad Debts account.

Credit McArthur's personal account with the amount of the assets of his business, and charge his personal account with the amount of the liabilities assumed on account of his business.

Charge these assets to the Queen Street Branch account and credit the liabilities to the same account.

Issue cheques in settlement of McArthur's account, and the accounts payable and bills payable, assumed on account of the branch store.

5 Received from the Standard Refining Co., the following invoice, freight prepaid, Apr. 1, 19—: 50 pails Icing Sugar, ea. 30 lbs., @ 6⅔c.; 10 bbls. Gran. Sugar, 320-20, 325-23, 322-21, 325-22, 322-21, 323-20, 325-22, 324-21, 320-25, 322-24 @ 4½c.; 10 c.s Maple Syrup, 1 gal. tins, 20 doz., per gal. 95c.

Sold to M. E. Keith, C. O. D., less 1 %, 4 bxs. 30-40 Cal. Prunes, ea. 25 lbs., @ 12c.; 4 bxs. 80-90 Cal. Prunes, ea. 25 lbs., @ 5c.; 5 h.c. Currants, 70-12, 75-10, 78-9, 77-10, 80-9 @ 8½c., 3 bxs. Dates, 72, 74, 72 22½ = @ 6c.

Drew on M. E. Keith, on demand, for the amount of the above invoice, less 1 %, attached the draft to the B/L, and left it with the bank for collection.

Paid in cash, duty of 20% on the invoice of the California Fruit Co. of the 21st ult., received on the 3rd. Brokerage ⅛%.

Received from J. Archer, his cheque for the amount of his bill of Mar. 21, less disc.

6. Sold to A. C. Coates, 1½ doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 13c.; 2 doz. bxs. Oyster Crackers, ea. 4½ lbs., @ 11¾c.; 1 doz. bxs. Fig Bar, ea. 12¼ lbs., @ 13½c., 10 c.s Sunlight Soap @ $4.10; 12 bxs. White Castile Soap, 36 doz., per doz. 45c.; 8 bbls. "Royal" Flour, ¼'s, @ $5.40.

Supplied to the Branch Store, 2 c.s Evaporated Apples, 50 lbs. ea., @ 7c.; 2 25 lb. boxes 30-40 Cal. Prunes, 50 lbs., @ 12c.; 3 25 lb. bxs. 40-50 Cal. Prunes, 75 lbs., @ 12c., 5 bxs. Figs, 10, 12, 11½, 10, 10½, less 10 % @ 10½c.

7. Sold to Newell & Reid, 12 c.s Parlour Matches @ $5.20; 8 c.s Comfort Soap @ $4, 4 c.s Sardines, ¼'s, @ $12.50; 12 bbls. Pastry Flour, ⅛'s, @ $4.85.

Drew on A. C. Coates, at 30 da. from Mar. 20, for the amount of the 30 da. bill of that date, and left with the bank for collection.

8. Sold to C. R. Dunlop, 15 c.s Salmon, 1's, 60 doz., @ $1.85, 10 c.s Lobsters, 1's, 40 doz., @ $2; 6 c.s Breakfast Coffee, ea. 24 lbs., @ 32c.; 12 hf. ch. Japan Tea, ea. 85 lbs. net, @ 18c.

The bank presents the S/D of the Standard Refining Co. for the amount of their invoice of Apr. 1, less shortage on Inv. of Mar. 7 and discount on the balance. Pay the draft by cheque.

Received from Newell & Reid, their cheque for the amount of their bill of Mar. 27, less disc.

The Branch Store reports Cash Sales, $125. Credit Sales, $20.10. Cash received on account, $20.

Paid salaries for the week by cheque.

D. Hunter reports travelling expenses for the week, $12.10. R. Miller, $13.15.

Paid by cheque, the bill of "The Daily Standard" for advertising, $15.75.

Paid J. McArthur, salary for one week, $12.50, and his commission of 2% on sales reported. Charge to the Branch Store account.

Deposited all the cheques on hand. Post up to date. Find cash and Bank balances.

10. Received from the East India Tea Co., the following invoice, Mar. 31, 19—: 20 bags Golden Rio Coffee, 120-10, 125-11, 132-10, 140-12, 122-10, 124-12, 123-12, 130-13, 135-12, 125-10, 140-12, 133-11, 125-9, 127-11, 136-10, 140-11, 137-12, 136-10, 122-10, 126-12 @ 20c.

Paid freight on the above invoice by cheque, $11.35.

Sold to Chas. Jackson & Son, 4 doz. bxs. Ginger Snaps, ea. 7½ lbs., @ 12½c.; 6 doz. bxs. Sultana Bis., ea. 12½ lbs., @ 12½c.; 5 doz. bxs. Water Wafers, ea. 3¼ lbs., @ 12½c.; 10 c s Safety Matches, 70's, @ $3.60.

A. C. Coates has returned 2 cases of the Sunlight Soap sold to him on the 6th. Give him credit.

Received from R. A. Evans & Co., a S D on W. Chapman, Toronto, for $100, to apply on their bills of Mar. 28, and their cheque to cover the balance of the bills, less disc. on the 3 mos. bill

The bank reports the draft on H. R. Harrison, 15 da. from Mar. 21, collected and credited, less exchange 40c.

Gave to D. Hunter and R. Miller, each a cheque for $12.50, on account of travelling expenses.

Paid for a bill of stationery by cheque, $18.30.

11. Sold to D. A. Beattie, 4 chests Ceylon Tea, ea. 60 lbs. net, @ 22c.; 10 chests Gunpowder Tea, 79-12, 78-11, 80-15, 79-11, 81-12, 80-10, 79-12, 78-9, 82-10, 80-10 – @ 35c., 10 bbls Gran. Sugar, 320-22, 325-21, 323-20, 324-22, 320-21, 323-20, 320-22, 322-21, 325-21, 324-22 – @ 4¼c.

Remitted to the East India Tea Co., a bank draft purchased by cheque for invoice of Mar. 20, less disc.

The bank reports the draft on M. E. Keith, Apr. 5, collected and credited, less exchange 15c.

J. McFarlane's note for $330, which was assumed by us upon taking over the business, falls due to day and is paid by cheque.

Received from C. Jackson & Son, their cheque for the balance of the 30 da. bill of Mar. 16 and their 30 da. bill of Mar. 27, less disc. $94.34.

12. Received from the California Fruit Co., an invoice of goods, freight prepaid, Mar. 31, 30 da., 2 discount for cash on receipt of the invoice: 10 c s Evaporated Apples, ea. 50 lbs., @ 5½c.; 18 25-lb. bxs. 30-40 Cal. Prunes @ 10c.; 20 bxs. Figs, 10, 12, 10½, 11, 10, 12½, 12, 10, 10½, 11, 12, 11, 10½, 11, 12, 12½, 10, 12, 11½, 10, less 10 @ 8½c.

Remitted to the Cal. Fruit Co., a B E for the net amount of the above invoice. Rate of exchange 99½.

Sold to R. A. Evans, 4 doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 12½c.; 3 doz. bxs. Water Wafers, ea. 5½ lbs., @ 13¾c.; 6 c s Oysters, 1's, 12 doz., @ $2; 10 c s Apples, 1's, 5 doz., @ $2.40; 12 c s Peas, 2's, 24 doz., @ 75c.; 8 c s Can. Corn, 2's, 16 doz., @ 75c.

Received from B. C. Merchant, his cheque in payment of his acceptance due to-day.

Branch Store reported Cash Sales, $110; Credit Sales, $24.30; Cash on acct., $35.

Paid in cash the bill of the City Cartage Co. for delivering goods, $1.85.

Deposited all cheques and the Sight Draft on hand.

13 Sold to B. C. Merchant, 8 bxs. B. Cocoa, 48 lbs. net, @ 25c.; 10 tins Mocha Coffee, ea. 25 lbs., @ 20c.; 5 c s Gold Medal Syrup, 2 lb. tins, ea. 2 doz., per doz. $1.20; 10 bbls. Pastry Flour, ¼'s, @ $4.85.

Newell & Reid have returned 3 c s Parlour Matches sold to them on the 7th. Allow them credit.

Supplied to the Branch Store, from stock, 3 c s Kippered Herrings, 1's, 12 doz., @ $1; 2 c's Lobsters, 1's, 8 doz., @ $2; 1 c s Oysters, 1's, 4 doz., @ $2; 4 c s Salmon, 1's, 16 doz., @ $1.85; 3 c s Sardines, ¼'s, @ $12.50.

The Bank returned the cheque received from Newell & Reid, Apr. 8, dishonoured. Charge to their account and write them, returning the cheque.

14. Sold to H. R. Harrison, 10 c s Comfort Soap @ $4; 10 bxs. Sapolio @ $2.85; 10 ch. Ceylon Tea, 101-19, 105-20, 104-18, 103-19, 105-18, 102-18, 104-18, 105-20, 105-19, 103-19 – @ 28c.; 15 bbls. "Royal" Flour, ¼'s, @ $5.40

Paid by marked cheque, the duty of 20 on the California Fruit Co.'s invoice of Mar. 31, brokerage ½ .

Received from A. C. Coates, his cheque for his n c bill of Apr. 6, less returns, and for his 30 da bill of the same date, less discount.

Received from E. R. Gorman, his cheque for his bill of Mar. 30, less disc

Paid John Rowe by cheque, for alterations to office, $13.20.

Received from the Canada Soap Works, an invoice of Soap, Apr. 13, 2/100 " 30: 15 bxs. Kitchen Sapolio, ¼ gross ea., per box $2.55; 30 c s Sunlight Soap, 100 cakes ea., per case $3.60; 15 c/s Comfort Soap, 100 cakes ea., per case $3.50; 10 bxs. White Castile, 3 doz. ea., per doz. 40c.

B. C. Merchant notifies us that the sale on the 13th is short 1 tin Mocha Coffee. We have a tin delivered to him to-day.

Drew on H. R. Harrison at 15 da. from Apr. 14, for amount of his bills of that date, less disc. on the 3 mos. bill.

The Branch Store reports Cash Sales, $127.50; Credit Sales, $20.20; Cash received on acct., $22.60

Paid by cheque, the following bills for goods for the Branch Store: Ontario Biscuit Co., $67.30; Canada Soap Works, $72.10; Welland & Welland, $67.40

D. Hunter reports travelling expenses for the week, $10.75; R. Miller, $11.20

Paid salaries for the week by cheque, including J. McArthur, $12.50, and commission on sales reported.

Charged the Western Milling Co. commission (10) on sales to date, and remitted to them a cheque for the balance due. Sent them a statement.

Paid by cheque, the bill of "The Daily Standard" for advertising, $13.60

Paid by cheque, the Light bill for the month, $6.50.

Post up to date. Post totals. Close the cash book and bring down balances. Take a trial balance.

17 Sold to J. Archer, 10 c s Can. Corn, 2's, 20 doz., @ 75c.; 10 c s Peas, 2's, 20 doz., @ 75c 2½ c s Lobsters, 1's, 10 doz., @ $2; 6 c s Sardines, ¼'s, @ $12.50; 12 bbls. Pastry Flour, ¼'s, @ $4.85

Returned to the Canada Soap Works, 5 c s Sunlight Soap from the invoice of the 13th, and received credit therefor.

Drew on B. C. Merchant at 15 da. from Apr. 13, for the amount of the bills of that date, less disc on the 3 mos. bill, and had the draft accepted

Received from Newell & Reid, their cheque to cover amount of their cheque received Apr. 8 and dishonoured, and also exchange 10 cents.

At P. Hamilton's request a cheque has been issued to pay the insurance premium on his private residence, $17.55.

18 Received from the Ontario Biscuit Co., an invoice of Biscuits, Apr. 17, 2/100 " 30: 8 doz. bxs. Water Wafers, ea. 3¼ lbs., @ 10½c.; 7 doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 11½c 7 doz bxs Fig Bar, ea. 12½ lbs., @ 11¾c.; 6 doz. bxs. G. Snaps, ea. 8 lbs., @ 9½c 20 bxs. Sodas, ea. 18 lbs., @ 10½c.

Sold to E. R. Gorman, 12 c s Apples, 1's, 6 doz., @ $2.40; 7 c s Pineapples, 1 s, 11 doz., @ $4.75 8 h c Gunpowder Tea, 79 14, 78 12, 81 15, 79 12, 81 12, 78 11, 80 13, 78 10 @ 35c 4 c s Gold Medal Syrup, 2 lb. tins, ea. 2 doz., @ $1.20 per doz.; 12 pail Icing Sugar, 30 lbs. ea., @ 6½c.

Received from D. A. Beattie, his cheque for the net amount of his 30 da bill of Apr. 3 and his n c bill of Apr. 11.

19. Sold to F. & B. Leonard, 3 doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 13c. ; 2½ doz. bxs. Fig Bar ea 12½ lbs., @ 13½c. ; 2½ doz. bxs. Oyster Crackers, ea. 4½ lbs., @ 10¼c. ; 15 bxs. Figs, 10, 12 11½, 10½, 12, 12½, 11, 10½, 11, 11½, 10, 12, 10½, 11, 12½ (tare 10) = @ 10½c 10 bxs. 40 50 Cal. Prunes, ea. 25 lbs., @ 11c.

Drew on J. Archer at 30 da. and 3 mos. from Apr. 1, for the amount of his bills of that date, and left the drafts with the Bank for collection.

Received from F. & B. Leonard, their cheque for the amount of their bills of Apr. 4, less disc. on the 3 mos. bill.

The Branch Store reports Cash Sales, $119.30 ; Credit Sales, $22.10 ; Cash received on account, $42.10.

Deposited all cheques on hand.

20. Sold to D. A. Beattie, 7 c s Kippered Herrings, 1's, 28 doz., @ $1 ; 10 c s Salmon, 1's, 40 doz., @ $1.85 ; 12 c s Parlour Matches, 100's, @ $5.20 ; 10 bbls. Superior Flour, ¼'s, @ $5.60

Remitted to the East India Tea Co., a bank draft purchased by cheque for the invoice of Mar. 31, less discount.

Supplied to the Branch Store 2 bbls. Y. Sugar, 325-22, 322-24 – @ 4¼c. ; 4 bbls. Gran. Sugar, 323 22, 324 20, 321 17, 322 21 . @ 4¾c. ; 3 h c Y. H. Tea, 82-16, 85-15, 84-16 – @ 25c. ; 2 bags Golden Rio Coffee, 120-10, 125-11 = @ 30c.

J. Boulton withdrew for private use by cheque, $22.50.

21. Received from the East India Tea Co., an invoice of Tea : 10 chests Pekoe Tea, 101-19, 103-18, 105-22, 102 18, 103-19, 105 22, 104 20, 102-19, 102-18, 104-19 = @ 24c. ; 15 h c Oolong Tea, 57 10, 58 9, 58 10, 60-11, 61 9, 62-10, 60 9, 61-12, 59-12, 57-12, 60-11, 58 12, 59-12, 60 9, 62 12 @ 20c. Terms Apr. 10, 2/30 n 60.

Received from Newell & Reid, their cheque for the amount of their bills of Apr. 7, less disc. on the 30 da. bill, and returned goods.

Paid by cheque, the freight on the invoice of the East India Tea Co., $12.15.

22. Sold C. R. Dunlop, 8 c s Oysters, 1's, 16 doz., @ $2 ; 7 c s Sardines, ¼'s, @ $12.50 ; 4 bxs. Layer Raisins, 22 lbs. ea., per box $4.50 ; 6 bxs. 30/40 Cal. Prunes, 25 lbs. ea., @ 12c.

Paid by cheque, the invoice of the Canada Soap Works of Apr. 13, less disc., and returns.

Received from Chas. Jackson & Son, their cheque for $200 in payment of their n e bill of Apr. 10, the balance to apply on the 30 day bill of the same date, less disc.

The Branch Store reports Cash Sales, $142.60 ; Credit Sales, $21.15 ; Cash received on acct., $33.40.

Paid the following bills of goods for the Branch Store : H. R. Boynton, $18.50 ; Ontario Biscuit Co., $73.60 ; Canada Soap Works, $52.30.

Paid salaries for the week by cheque, including J. McArthur, $12.50, and 2 on sales reported.

Paid by cheque, the bill of "The Daily Standard" for advertising, $16.20.

D. Hunter reported travelling expenses for the week, $11.35 ; R. Miller, $12.20.

Post up to date. Find cash and bank balances.

24. Received from Welland & Welland, the following invoice, freight prepaid, Apr. 20, 7/30 n 60 : 24 c s Apples, 1 gal., 12 doz., per doz. $2.15 ; 18 c s Peas, 2's, 36 doz., @ 67½c. ; 10 Tomatoes, 3's, 20 doz., @ 75c.

Accepted Welland & Welland's draft at 10 da. from Apr. 20, for the amount of the above invoice, less disc.

Sold to A. C. Coates, 10 bxs. Sultana Raisins, 25 lbs. ea., @ 7c. ; 7 hf.-c s Currants, 70-10, 75 12, 80 11, 73 11, 77 12, 76-10, 74-10 – @ 8½c. ; 15 bbls. Royal Flour, ¼'s, @ $5.40

Sold R. A. Evans, 3 c/s Gold Medal Syrup, 2 lb. tins, ea. 2 doz., @ $1.20 a doz.; 10 pails Icing Sugar, ea. 30 lbs., @ 6½c.; 2½ doz. bxs. Abernethy Bis., ea. 6½ lbs., @ 13¼c., 10 bxs. Sodas, ea. 18 lbs., @ 12c.

The bank notified us that the draft on A. C. Coates, at 30 da. from Mar. 20, has been collected and credited. Exchange 10c.

Gave D. Hunter and R. Miller, each a cheque for $12.50 on account of travelling expenses

5 Sold Newell & Reid, 10 c/s Kippered Herrings, 1's, 40 doz., @ $1; 4 c/s Lobsters, 1's, 16 doz., @ $2; 6 c/s Peaches, 2's, 12 doz., @ $1.75; 5 c/s Tomatoes, 3's, 10 doz., @ 85c., 12 bbls. Pastry Flour, ¼'s, @ $4.85.

Received from J. Archer, his cheque for the amount of his 30 da. bill of Apr. 17, less discount.

Drew on C. R. Dunlop, at 3 mos. and 30 da. from Apr. 8, for the bills of that date, and left the bills with the bank for collection.

6 Received from H. R. Boynton, the following invoice of Matches, Apr. 22, 1/10, 5/30: 25 c/s Parlour Matches, 100's, @ $4.70; 25 c/s Telephone Matches, @ $3.85.

Accepted their draft at 10 da. from Apr. 22 for the amount, less discount

Sold to E. R. Gorman, 5 ch. Ceylon Tea, ea. 60 lbs. net, @ 22c.; 6 h/c Y. H. Tea, $2.16, $5.16, $3.15, $3.15, $5.16, $2.15 [illegible] @ 25c.; 4 c/s B. Coffee, ea. 24 lbs. net, @ 32c. [illegible] bbls Superior Flour, ¼'s, @ $5.60.

Paid by cheque, the invoice of the Ontario Biscuit Co., Apr. 17, less disc

The Branch Store reported Cash Sales, $135.60, Credit Sales, $26.30, Cash received on account $42.40.

Paid in cash, the bill of the City Cartage Co. for delivering goods, $2.75

Deposited all cheques on hand.

27. Sold to B. C. Merchant, 6 c/s Evaporated Apples, ea. 50 lbs., @ 7c.; 10 bxs. Figs, 10, 12, 10, 11½, 10½, 12, 12½, 10, 11, 12 (tare 10%) [illegible] @ 10½c., 8 bxs. 30-40 Cal. Prunes, ea. 25 lbs., @ 12c.; 4 hf. c/s Currants, 75-9, 77-9, 80-12, 78-11 [illegible] @ 8¼c

H. R. Harrison has returned 2 c/s of the Comfort Soap sold on the 14th. Gave him credit

Received from D. A. Beattie, his cheque for the amount of his n/c bill of the 20th

Paid for postage stamps in cash, $3.40

28. Sold to H. R. Harrison, 15 pails Icing Sugar, ea. 30 lbs., @ 6½c., 6 c/s Gold Medal Syrup, 2-lb. tins, ea. 2 doz., @ $1.20; 8 bxs. Sapolio @ $2.85, 10 bxs. Sunlight Soap @ $4.10; 12 c/s Telephone Matches @ $4.35

Drew on D. A. Beattie at 3 mos. from Apr. 11, for the amount of the bill of that date, and left with the bank for collection.

The bank has notified us that the draft on C. R. Dunlop at 30 da. from Mar. 24 has been collected and credited, less exchange 15c.

Drew at 30 da. from Apr. 12 on R. A. Evans & Co., for their bill of that date, and left the draft with the bank for collection

29. Branch Store reports Cash Sales, $160.30, Credit Sales, $26.55, Cash received on acct., $55.20

Paid the following bills for the Branch: H. R. Boynton, $16.30, Ontario Biscuit Co., $73.60, Canada Soap Works, $73.40; Weiland & Welland, $57.90.

Paid salaries for the week by cheque, including $12.50 to J. McArthur and 2 [illegible] on Sales at the Branch.

Rendered the Western Milling Co. a statement of Sales of Flour. Charged them with the commission, 10% on sales, and sent them a cheque [illegible] the balance

Paid by cheque, the bill of the "Daily Standard" for advertising, $15.50

Deposited all cheques on hand. Travelling expenses for the week, Hunter $11.25, Miller $10.20.

Adjust interest between partners through their private accounts.

Post up to date. Post totals. Close the cash book and bring down balances. Take off a trial balance. Make out the financial statement. Close the books.

INVENTORIES, April 29: Goods on hand, $5053; Office Furniture, depreciated 5% on cost, $450 Insurance, 8 mos. in advance; allow 2% on Accounts Receivable for Bad Debts.

The Branch Store reports: Goods on hand, $1235.70; Accounts Receivable, $360; Insurance paid in advance, 8 mos., $10.

Distribution of Inventory to Departments

INVENTORY, Apr. 29

Canned Goods	738.50	
Tea and Coffee	2343.10	
Dried Fruit	460.00	
Sugar	1050.60	
Biscuits	440.30	
Sundries	620.50	
		5653.00

CLOSING THE BOOKS

In closing the books, the Loss and Gain account is introduced as an intermediate account between the accounts showing Loss or Gain and the proprietors' accounts. Hence this account may be omitted and an entry may be passed through the general journal to close these accounts and transfer the net result directly to the proprietors' accounts. Since the general journal is practically a private journal, this method maintains the secrecy of the results of the business. It does not apply to the closing of the subordinate parts of the Mdse. Trading (or Inventory) account as treated in this book. For that purpose it would be necessary to close all the subordinate accounts directly to the Inventory account. The entries given in (*a*) and (*b*) below are for the complete closing; in (*b*) for the closing of the Profit and Loss accounts only. See Financial Statement, pp. 58, 59

(*a*)

Discount off Purchases,	*Dr*	*625*	
Rebates off Purchases,	"	*166*	
Merchandise Sales,	"	*43500*	
Merchandise Inventory,	*Cr.*		*44291*
Merchandise Inventory,	*Dr.*	*30907*	
Rebates off Sales,	*Cr.*		
Discounts off Sales,	"		*765*
Duty,	"		*250*
Freight Inwards,	"		*450*
Mdse. Purchases,	"		*29250*

(*b*)

Merchandise Inventory,	*Dr.*	*13536*	
Distribution Expense,	*Cr.*		*2908*
Maintenance Expense,	"		*1265*
Administration Expense,	"		*4257*
Reserve for Bad Debts	"		*650*
R. D. Henderson (Priv. Acct.)			*1479.34*
H. M. Gibson	"	"	*1479.33*
W. A. Ferguson	"	"	*1479.33*

NOTE. This method has some advantages, but it is not in general use

JOINT STOCK COMPANY ACCOUNTS

A Joint Stock Company is an organization, consisting of five or more persons, which has been authorized by charter issued to it by the Dominion Government or by the Legislature of one of the Provinces, to carry on business under conditions set forth in the charter.

It differs from a partnership mainly as to (*a*) Capital; (*b*) Liability of members; (*c*) Division of Profits.

The full amount of capital which the company is permitted by its charter to have, is called the Authorized Capital, and is divided into shares having a fixed par value, which varies very much, but in ordinary trading or manufacturing concerns is commonly $100 or $50.

Those desiring to become members of the company subscribe for or purchase shares of the capital. The total amount so subscribed for need not be the full amount of capital authorized by charter, and it is called the Subscribed Capital.

The amount of capital subscribed for is called in by instalments as required, and the amount thus paid up at any time is called the Paid-up Capital.

The members of the company are called shareholders, and they are not, as members in a partnership are, liable for the full amount of the debts of the company. They are liable only for the amount of the shares for which they have subscribed. In case these have been paid for in full, the shareholders have no further liability. If they have not been paid for in full, the shareholders are liable for the amount necessary to complete the payment at par value.

The profits are divided among the members or shareholders in the proportion of the par value of their subscribed shares. They are distributed at fixed periods—quarterly, semi-annually, or annually, as the shareholders may determine. Profits so distributed are called Dividends. It is customary to set aside part of the profits as a Reserve Fund, either to increase the available working capital or to insure that in case of a bad year the shareholders may still receive the usual dividend. But in no case are the profits added directly to capital, as may be done in a partnership. If it is not considered desirable to create a Reserve Fund, then the undivided profits are brought down to the credit of the Loss and Gain account.

A Joint Stock Company being to some extent a public organization, operating under authority from the Government, is required to keep certain books of record and of account not necessary in a partnership. The most important of these with which the bookkeeper is concerned have reference to the capital and the profits of the company, and are the following:

1. The Memorandum of Agreement and Stock Book.
2. The Allotment Book.
3. The Instalment List.
4. The Stock Certificate Book.
5. The Transfer Book.
6. The Stock Ledger.
7. The Dividend Book.
8. The Minute Book.

THE MEMORANDUM OF AGREEMENT AND STOCK BOOK

This is commonly called the Subscription Book. It may be bound in book form, or may consist of separate sheets with convenient ruling. The form is as follows:

MEMORANDUM OF AGREEMENT AND STOCK BOOK

We, the undersigned, do hereby severally covenant and agree each with the other to become incorporated as a company under the provisions of The Ontario Companies Act, under the name of The Ontario Biscuit Company, Limited, or such other name as the Lieutenant-Governor-in-Council may give to the Company, with a capital of Twenty-five Thousand Dollars, divided into Two Hundred and Fifty shares of One Hundred Dollars each.

And we do hereby severally, and not one for the other, subscribe for and agree to take the respective amounts of the capital stock of the said Company set opposite our respective names as hereunder and hereafter written, and to become shareholders in such Company to the said amounts.

In witness whereof we have signed.

Signatures of Subscribers	Seals	Amount of Subscription	Date and Place of Subscription		Residence of Subscribers	Signature of Witnesses
			Date	Place		
			19—			
D. W. Thompson	X	*$2000*	*Apr. 1*	*Toronto*	*Toronto*	*J. Coulter*
Jas. Stewart	X	*$6000*	" *1*	"	*Toronto*	*J. Coulter*
W. J. Gibson	X	*$6000*	" *1*	"	*Linwood*	*J. Coulter*
D. McKinnon	X	*$3000*	" *1*	"	*Crosshill*	*J. Coulter*
O. L. Richardson	X	*$3000*	" *1*	"	*Waterloo*	*J. Coulter*

THE ALLOTMENT BOOK

When the shares of a Company are offered to the public, blank forms of application are sent out to those likely to subscribe or are provided for those who wish to subscribe. Such applications, when returned, are considered by the directors, and those whose applications are accepted are notified to that effect. The others are notified that their applications have not been accepted, and deposits made on account of the stock are returned. This book is unnecessary when there are only a few shareholders.

INSTALMENT LIST

The stock subscribed for is sometimes paid for in full at the time of subscription. In other cases payment is made in instalments of such amount and at such intervals as may be decided upon by the directors. Demands for such payments are termed Calls. When a call is made by the directors, an Instalment List is prepared which sets forth the names of the shareholders and the amount payable by each.

Instalment List of the First Call of twenty-five per cent. on the stock of the Ontario Biscuit Company, Limited, due and payable May 1, 19—

L. f.	Name of Shareholder	Address	No. of Shares	Instalment	Interest	Amount Received	Date of Payment
							19—
	D. W. Thompson	*Toronto*	*20*	*1750*		*1750*	*May 1*
	Jas. Stewart	*Toronto*	*60*	*1500*	*6 25*	*1506 25*	*June 1*
	W. J. Gibson	*Linwood*	*60*	*1500*		*1500*	*May 1*
	D. McKinnon	*Crosshill*	*30*	*750*		*750*	" *1*
	O. L. Richardson	*Waterloo*	*30*	*750*	*6 25*	*756 25*	*July 1*
			250	*6250*	*12 50*	*6262 50*	

INSTALMENT RECEIPT AND STOCK CERTIFICATE

Receipts are issued to the shareholders upon the payment of each call. These receipts should be ...nd in a book, and each receipt should have a stub upon which the shareholder gives an acknowledg...nt of the receipt. These Instalment Receipts are called Scrip, and when the stock is paid up in full ...Scrip is exchanged for a Stock Certificate.

Instalment Receipt

The Ontario Biscuit Company, Limited

Instalment Receipt

No. *1.*

Name, *D. W. Thompson.*

Call First—25

On *70* shares of *$100* each.

Amount, *$1750.*

Date, *May 1, 19—.*

Received receipt for the above instalment.

D. W. THOMPSON.

No. 1 70 Shares

Instalment Receipt, $7000

The Ontario Biscuit Company, Limited

Received from D. W. Thompson the sum of One Thousand Seven Hundred and Fifty Dollars, being the first Call of 25 per cent. on 70 shares of the stock of the Ontario Biscuit Company, Limited, the said shares having been reserved and set apart for him or his assigns on condition that he or they fulfil the terms of subscription

In witness whereof we hereunto subscribe our names and affix the Corporate Seal of the Company this first day of May, 19

JAS. STEWART, *Secretary* [SEAL] D. W. THOMPSON, *President*

Stock Certificate

Stock Certificate

No. *1.*

For *70* Shares

Issued to

W. D. Thompson.

Date, *May 1, 19—*

Transferred from

Date.....

No. Original Certificate .....

No. Original Shares .....

No. Shares Transferred.....

Received Certificate No. *1* for *70* Shares this *1st* day of *May, 19*

D. W. THOMPSON.

No. 1 70 Shares

This certifies that D. W. Thompson is the owner of Seventy fully paid shares of One Hundred Dollars each of the Capital Stock of

The Ontario Biscuit Company, Limited

The said shares are transferable only on the books of the Company in person or by attorney upon the surrender of this certificate.

In witness whereof the said Company has caused this certificate to be signed by the duly authorized officers under the Corporate Seal of the Company, this 1st day of May, 19

JAS. STEWART, *Secretary.* [SEAL] D. W. THOMPSON, *President*

TRANSFER OF STOCK

Shares not fully paid up can only be transferred with the consent of the directors of the company. In some companies this consent is necessary for the transfer of fully paid up stock. When stock is transferred, the certificate is returned to the company and a new certificate issued to the transferee. In case only a part of the stock represented by the certificate is transferred, the certificate is returned and cancelled and new certificates issued to the seller and to the purchaser of the shares. The record of transfers is kept in a Transfer Book; if transfers are numerous, a Transfer Register is used.

Transfer Book

Stock Ledger Folio 3

For Value Received, I, W. J. Gibson, do hereby assign and transfer to C. Whitman all my right, title and interest in sixty shares of the Capital Stock of the Ontario Biscuit Company, Limited, on which has been paid the sum of One Thousand Five Hundred Dollars, and now standing in my name in the books of the said Company.

Witness my hand at the office of the Company, in the City of Toronto, this 15th day of May, 19 –.

Witness, J. COLLAS. W. J. GIBSON.

I hereby accept the foregoing transfer of sixty shares of the Capital Stock of the Ontario Biscuit Company, Limited.

6

Dated this 15th day of May, 19– .

Witness, J. COLLAS. C. WHITMAN.

THE DIVIDEND BOOK

This book shows the amount of profits payable to each of the shareholders for the period to which it refers. It is prepared after the dividend for any period has been fixed by the directors.

Form.

THE ONTARIO BISCUIT COMPANY, LIMITED

Dividend No. 1, 3 per cent., declared June 1, 19–

NAME OF SHAREHOLDER	ADDRESS	NO. OF SHARES	AMOUNT OF DIVIDEND	DATE OF PAYMENT	SIGNATURE
D. W. Thompson	*Toronto*	*70*	*240*	*June 1*	*D. W. Thompson*
Jas. Stewart	*Toronto*	*60*	*180*	" *3*	*Jas. Stewart*
D. McKinnon	*Crosshill*	*30*	*90*	" *2*	*D. McKinnon*
O. L. Richardson	*Waterloo*	*30*	*90*	" *1*	*O. L. Richardson*
C. Whitman	*Berlin*	*60*	*180*	" *3*	*C. Whitman*

THE MINUTE BOOK

The shareholders in a company elect from their number a Board of Directors, and the Board of Directors in turn elect a President and appoint a Secretary. The secretary keeps a proper record of the proceedings at the meetings of the Board. The book in which such record is made is called the Minute

...ook. If the bookkeeper is also secretary of the company, then the minute book will be in his charge ... not, he is not likely to have access to it. The president and secretary usually sign for the company ... d they are then responsible for seeing that all disbursements are sanctioned by the Board of Directors

THE BOOKS OF ACCOUNT

Entries in the books of account for a Joint Stock Company differ from those for a partnership at ...e opening and in the distribution of profits; for the rest the arrangement of the books depends upon ... e character of the business

As to the opening entries there are three that require attention 1. At subscription 2. At payment ... f call. 3. At transfer to the Stock Ledger. For example

The Ontario Biscuit Company is organized with a capital of $25000 in 250 shares of $100 each The subscribers are D. W. Thompson, 70 shares, Jas. Stewart, 60 shares, W. J. Gibson, 60 shares, D. McKinnon, 30 shares; O. L. Richardson, 30 shares. A first call of 25 ... is made and is paid in cash

1. Having subscribed for or purchased stock in the company, the shareholders are indebted to the company for the amount of their subscriptions. The entry then is

D. W. Thompson -	7000	
Jas. Stewart -	6000	
W. J. Gibson - - - - - - - -	6000	
D. McKinnon - -	3000	
O. L. Richardson - - - -	3000	
To Subscribed Capital Stock		25000

For Stock as per subscription book

2. A call of 25 ... has been made, and the shareholders have handed over to the company cash for one-fourth of their subscriptions. They are credited for this amount from the Cash Book

Cash	6250	
D. W. Thompson -		1750
Jas. Stewart		1500
W. J. Gibson -		1500
D. McKinnon -		750
O. L. Richardson		750

For Call No. 1, 25 ... on Subscribed Stock.

NOTE.—This should be entered in a special column of the Cash Book, or in a special Cash Book

Similar entries will be made for succeeding calls, till the subscribed stock is fully paid up When these entries are posted the shareholders' accounts in the General Ledger will balance

3. The shareholders' accounts may now be transferred to the Share Ledger or Stock Ledger, thus:

Paid-up Capital -	25000	
D. W. Thompson -		7000
Jas. Stewart - -		6000
W. J. Gibson - -		6000
D. McKinnon - - -		3000
O. L. Richardson		3000

For paid up Capital

If the stock is fully paid up at the time of subscription, the first two entries may be combined, and the shareholders' accounts may then be omitted from the General Ledger. The entry would be:

Cash	25000	
Capital Stock		25000

And the entry for the Stock Ledger would be made as above.

For a company with a small number of shareholders, where transfers are not anticipated, this method is at once simple and convenient. If the transfer of shares is permitted, the Share Ledger should be used

Form of Share Ledger account

D. W. THOMPSON

	Folio	Shares	Amount		Folio	Shares	Amount
June 15 J. B. Jones		20	2000	May 1 1st Instalment		20	1250
Balance				June 1 2nd "			1750
							3000
							2000
				June 1 Balance			5000

A PARTNERSHIP REORGANIZED AS A JOINT STOCK COMPANY

No new principles are involved in the entries to be made for the conversion of a business already in existence into a Joint Stock Company. An example may be given:

D. Hamill and R. Walker are partners in a wholesale grocery business and convert it into a Joint Stock Company under the name, The Hamill Grocery Co., Limited. The authorized capital is $20000 in 200 shares of $100 each. The present net capital of the partnership is $10000, as follows: Mdse., $8000; Accounts Receivable, $1500; Notes Receivable, $1000; Accounts Payable, $500; Hamill's net capital is $7000 and Walker's $3000. They are joined by J. Rhodes, H. Wilson and B. Foster, who subscribe for 25 shares each, agreeing to pay for them in cash. An allowance of $2500 is made for the goodwill of the business, $1500 of which goes to Hamill, $1000 to Walker. Fully paid up stock is to be issued in payment for the net assets and goodwill of the partnership.

The books of the partnership should first be closed in the regular way and capital brought down.

1. The entry for subscription should be made as follows:

D. Hamill	Dr.	8500
A. Walker	Dr.	4000
J. Rhodes	Dr.	2500
H. Wilson	Dr.	2500
B. Foster	Dr.	2500
Subscribed Capital Stock	Cr.	20000

2. Hamill & Walker should be credited with the amount of the goodwill, thus:

Goodwill	Dr.	2500
D. Hamill	Cr.	1500
R. Walker	Cr.	1000

The capital accounts of Hamill & Walker will now balance, and their net assets will offset their share of the capital stock.

3. The three new shareholders pay for their stock in cash

Cash	Dr.	7500	
J. Rhodes	Cr.		2500
H. Wilson	Cr.		2500
B. Foster	Cr.		2500

4. The entry should now be made for the stock Ledger

Paid up Capital Stock	Dr.	20000	
D. Hamill	Cr.		8500
R. Walker	Cr.		4000
J. Rhodes	Cr.		2500
H. Wilson	Cr.		2500
B. Foster	Cr.		2500

If a new set of books is to be opened, the second entry above would become

Mdse.	Dr.	8000	
Accounts Receivable	Dr.	1500	
Bills Receivable	Dr.	1000	
Goodwill	Dr.	2500	
Cash	Dr.	7500	
Bills Payable	Cr.		500
Subscribers	Cr.		20000

This, of course, combines the third entry above with the second one

THE TRANSFER OF STOCK

As the transfer of stock in no way affects the assets or liabilities of the company, but only the ownership of the stock, the only entry necessary for such a transaction is one transferring the amount of stock sold from the account of the seller to that of the purchaser in the Stock Ledger.

DIVIDENDS

As already pointed out, the profits in a Joint Stock Company are never transferred directly to the capital account. They are apportioned among the stockholders as a dividend, or are held to the credit of a reserve account.

When a dividend of, say, $600 has been declared, the Dividend Book should be prepared, and the following entry made in the Journal

Loss and Gain	Dr.	600	
Dividend No. 1	Cr.		600

Cheques are then issued to the shareholders for the amount due them, as per the Dividend Book, and the following entry is made in the Cash Book

Dividend No. 1	Dr.	600	
Cash	Cr.		600

The dividend may, however, be applied to the payment for new stock issued, and the entry would then be:

Dividend No. 1	Dr.	600	
Capital Stock	Cr.		600

Stock certificates would then have to be issued to the shareholders. Such stock is sometimes called Dividend Stock, just as the stock of a company authorized, but not issued, is sometimes called Treasury Stock. This latter term is, however, more properly applied to stock donated to the company by shareholders to be sold to provide working capital.

THE APPROPRIATION OF PROFITS

The whole of the profits is seldom distributed in dividends. The balance may be brought down to the credit of Profit and Loss account, or it may be carried to the credit of a Reserve account, or a part of it may be so dealt with, while another part is used to reduce such items standing in the books as Goodwill, Organization, etc. The entry for such appropriation would be :

Loss and Gain	Dr.	
	Dividend	Cr.
	Reserve	Cr.
	Goodwill	Cr.
	etc.	

EXERCISE ON OPENING JOINT STOCK COMPANIES' BOOKS

1. J. Gray and T. Hall own a Dry Goods business with Stock, $7000 ; Notes Receivable, $600 ; Accounts Receivable, $1200 ; Accounts Payable, $800. Of the net capital, $5000 belongs to Gray, $3000 to Hall. They organize a Joint Stock Company, with capital $14500 in 145 shares of $100 each. They are joined by R. Scott, J. Plant and C. Doyle, who take 20 shares each, agreeing to pay for them in cash. The goodwill of the business is valued at $1200, and the partners agree to a reduction of 10 in the value placed on their stock of goods ; fully paid-up shares are then to be issued for the value of the business as thus adjusted.

If Gray shares ⅔ and Hall ⅓ in all gains and losses, make the necessary entries.

(*a*) 1. For closing the old books of the firm.
2. For opening a new set of books for the company.

(*b*) 1. For adjusting the capital between Gray and Hall in the old books.
2. For the conversion into a company using the old books.

2. W. Ross, R. Score and C. Rogers own a Grocery business, with capital $20000, consisting of Stock, $15000 ; Furniture and Fixtures, $500 ; Notes on hand, $1800 ; Accounts Receivable, $6700 ; Accounts Payable, $4000, of which Ross owns $8000 Score $8000, Rogers $4000. They share gains and losses in proportion to capital. They organize a Joint Stock Company, with capital $25000 in 250 shares of $100 each, and take in two of their salesmen as shareholders, with 20 shares each, to be paid for in cash. The goodwill of the business is valued at $1500, 2 is allowed on Accounts Receivable and Bills Receivable for bad debts, 5 depreciation on Furniture and Fixtures, and 10 on Stock. When this adjustment has been made, fully paid up shares are to be issued for the net capital of the partners, cash being given for the fractional part of a share in each case.

(*a*) 1. Make the entry for closing the books.
2. Make the entry for opening the new books of the company.

(*b*) 1. Make the entry for adjusting the capital of the partners in the old books.
2. Make the entry for changing the books.

3. G. Slater, H. Sims, J. Taylor, R. Underwood and A. Wallace form a Real Estate Company, with Capital Stock $250000, in 25000 shares of $10 each. They already have equal interests in a property valued at $65000, and they purchase from J. Weir an adjoining property valued at $25000,

which is to be paid for in fully paid shares of the company. They take to themselves 13000 shares, half of which they pay for in organization expenses; the other half by the property they hold and which they now transfer by deed to the company. The remaining shares are unsold.

Three months later, to secure working capital, they sell 2000 shares at $8 a share

At the end of the year they declare a dividend of 5 and pay it in cash

Next year they sell 2500 shares at $15 a share.

At the end of the year they again declare a dividend of 5 , and set aside $5000 as a reserve fund and $5000 to reduce organization expenses.

Make the Journal entries necessary to record the above transactions

4. The firm of Rogers and Cummings, in which the partners share equally, was incorporated as a Joint Stock Company with an authorized capital of $200000, consisting of 2000 shares of $100 each. The resources of the partnership were as follows: Goods on hand, $30000; Notes Receivable, $3600; Accounts Receivable, $7000; Real Estate, $20000. The liabilities were as follows Notes Payable, $3000. It is agreed that each partner shall receive fully paid up stock for the amount of his present worth, after allowing a depreciation of 10 on bills receivable and accounts receivable for possible loss in collecting. The amount due each partner for any portion of a share, to be paid in cash. The following shares were subscribed and a first call of 50 was paid in cash T. R. Mann, 150; A. D Rood, 300 W Horne, 36.

(*a*) Give the necessary entries to change the present books of the partnership

(*b*) Give the necessary entries to open an entirely new set of books for the company

5. A joint stock company is formed to manufacture an article for which they have secured a patent. The capital is $150000 in shares of $100 each. The inventor gets $40000 paid up stock for his patent, the promoter gets $10000 paid up stock for his services, half the remainder of the stock is subscribed and paid for in cash. Later in the year half the remaining stock is sold at $110. At the end of the year the profits are $18000. The directors declare a dividend of 6 on capital, and distribute $1000 of profit as a bonus to their employees. The rest of the profits are set aside as a reserve

Make the necessary Journal entries.

6. Henry Adams owns a flour mill. He disposes of it to the Adams Milling Co., which has been organized with a capital of $60000, in 600 shares of $100 each. The property includes Land, $25000; Buildings, $8200; Machinery, $15200, Flour, etc., on hand, $9500, Office Furniture, $250. For the above assets, Adams is to receive 500 fully paid up shares, and the company assumes a mortgage of $8150 on the land mentioned above.

The other shareholders are C. Graham, S. Green, K Mann, A. M Smith, and D. Watson, who subscribe for 20 shares each, and pay for them in cash.

Make the necessary Journal entries for opening the books of the company

7. The Ontario Furniture Co., Limited, is organized with an authorized capital of $150000, in 1500 shares of $100 each. The company takes over the business of T. Brown & Co., whose standing is as follows: Assets, Cash, $2200, Furniture on hand, $36000; Plant, $25400; Real Estate, $18400, Accounts Receivable, $10280; Bills Receivable, $9620, Furniture and Fixtures, $1900. Liabilities Bank overdraft, $7400; Notes Payable, $6300; Accounts Payable, $4200, Reserve for Bad Debts, $1800. T. Brown's Capital, $53250, D Houston's Capital, $16925, R. Mason's Capital, $13925

The three partners are to receive fully paid up stock for the amount of their capital, the fractional part of a share being paid for in cash in each case. J. H Miller, who has assisted in organizing the company, is to have 50 shares for his services. Of the remaining stock, 300 shares are sold at 110 and paid for in cash, and the balance is held for sale at a future date

Make the entries necessary for opening the books of the company

MANUFACTURING ACCOUNTS

Manufacturing accounts differ from trading accounts mainly in the record of the items which enter into the cost of the goods up to the point where they are ready to be placed on the market

In a trading business we found these items to be such as

1. The invoice price of the goods.
2. Any additional charges for boxes, packing, etc.
3. Carriage inwards
4. Duty
5. Marine insurance

In a manufacturing business we find items such as :

1. Raw material.
2. Wages.
3. Plant and machinery.
4. Tools.
5. Freight
6. Duty, etc

To record these satisfactorily, it will be necessary to adjust the accounts and other records

RAW MATERIAL

The purchases may be altogether of raw material, or they may be partly of raw material and partly of manufactured goods. In any case, a Material account should be kept in the Ledger, and a Material Purchase book should be kept, either as a separate book or as a special column in the General Purchase book

Freight and Duty may be recorded in separate accounts, which should be closed to the Material account at the end of the year, or these accounts may be dispensed with by entering the amount of freight and duty upon the face of the invoice before making the entry in the Purchase book In case the Purchase book has special columns for departments, the freight and duty should be entered on the invoice properly distributed to the departments. A rubber stamp may be used to facilitate this work.

The Material account will be charged with the material on hand at beginning, and with the purchase of material, including freight and duty, either directly or through separate accounts. It will be credited with rebates, discounts, and returns, and at closing with the inventory of material at the end of the year. The difference between the two sides of the account will give the cost of material used, and this amount should be entered to close the account, and then carried down to the debit side of Manufacturing account

MANUFACTURING ACCOUNT

The Manufacturing account will be charged with the cost of material used, as shown in the Material account the wages of workmen, foremen and superintendents, as shown in the Wages accounts, and with such items as may be classed as factory expenses namely, heat, light and power, taxes on factory, depreciation of factory, tools, and machinery, rent of factory

This account will then show the prime cost of the goods manufactured, and it should be closed into the Trading account

TRADING ACCOUNT

The Trading account will be debited with the value of manufactured goods on hand at beginning, the cost of goods manufactured, as shown by the Manufacturing account, the cost of manufactured goods purchased during the year, as shown by the purchase book, together with freight, duty, and other charges on such goods, and with rebates and discounts off sales. It will be credited with the amount of the sales for the year, and with discounts, rebates, and returns from purchases. At closing, it will be credited with the inventory of manufactured goods on hand at the end of the year, and it will then be closed with the gross profits on trading, which amount will be transferred to the Loss and Gain account.

The Trading account may be divided into three sections: Purchases, Sales, and Inventory, as was done in the accounts of a trading business. Only by so doing can Net Purchases, Net Sales, and cost of the goods sold, be shown.

WAGES

The record for wages consists of two parts, the Time Sheet and the Pay Roll, and the method of dealing with these varies greatly with the size and character of the business. Three typical methods may be mentioned.

A **Time Book** is used. Whether a small book in the hands of the foreman of each department, or a general one, entered up by a time clerk, is used, the principle is the same. The time book, which records the hours of work of each employee for each day, is totalled at the end of the week or pay period, and the total for each employee is transferred to the pay roll and extended at his rate of wages.

A **Time Card** is used. Each employee is given a card covering the time between dates of payment, and his time each day is registered on the card, frequently by means of a Time clock. From these cards the time for the week is transferred to the pay roll.

In some large factories a clock, such as the "Dey **Time Register,**" is used, which, in addition to recording the times of the arrival and departure of each employee, produces at the end of the week a wages sheet which may be totalled and extended at the rates of wages paid.

When it is necessary to find cost by the job or contract, the record must show not only the workman's time, but also what job or contract he was employed upon, and in some instances the nature of the work as well. In such cases the card is the convenient method of record, and it may be necessary to use both sides, as shown in the illustration, page 118.

Form of Time Book

BISCUIT DEPARTMENT

Jas. Robertson, Foreman

Time sheet for the half month ending

No.	NAME	OCCUPATION	TOTAL
	Dixon, R.		
	Elliott, G.		
	Wright, R.		
	Davis, P.		
	Jones, T.		
	Ballard, P.		

TIME CARD

Work ordered ... Pc
No.
Name

DAY		IN	LOST OR OVERTIME		OUT
F.	A. M				
	P. M				
S.	A. M				
	P. M.				
S.	A. M				
	P. M				
M.	A. M.				
	P. M				
T.	A. M				
	P. M				
W.	A. M				
	P. M.				
T.	A. M				
	P. M.				

Regular time ... Hrs
Overtime ... Hrs
Total ... Hrs
Rate ... Total Wages

JOB CARD

No. ... Job Order No.
Time allowed ... Wages @
Time taken ... Total Wages

DAY		IN	LOST OR OVERTIME		OUT
F.	A. M				
	P. M				
S.	A. M.				
	P. M.				
S.	A. M				
	P. M				
M.	A. M.				
	P. M				
T.	A. M.				
	P. M				
W.	A. M				
	P. M.				
T.	A. M				
	P. M.				

Name
Work ending
Foreman's initials

To secure a record of the nature of the work, as well as the time occupied, the names of the different processes are printed on the back of the card, and the one to which the time on the face refers is entered up

LABOR SIDE OF JOB CARD

No. ... Operation ... No. Parts
Time Started
Time Finished
Total
This Side Only

OPERATION	No. PARTS
Assembling	
Boring	
Brazing	
Bolting	
Centering	
Cutting	
Drilling	
Facing	
Facing	
Filing	
Forging	
Grinding	
Inspecting	
Leading	
Marking off	
Milling	
Painting	
Pattern Making	
Planing	
Polishing	
Riveting	
Shaping	
Testing	

THE ONTARIO BISCUIT COMPANY, LIMITED

Pay Roll for the half month ending

No.	Dept.	Name	Occupation	Time	Rate of Wages Hr	Total	Remarks
	Gen.	*Student*	*Accountant*		*M*		
		Smith, Wm.	*Storekeeper*		*M*		
		Dunlop, Mary	*Stenographer*		H		
		Gen. Wages	*Do.*				
	Biscuit	*Robertson, Jas.*	*Foreman*		*M*		
		Dixon, R					
		Elliott, G					
		Wright, R.					
		Davis, P.					
		Jones, T					
		Ballard, P					
		Biscuit Wages	*Do*				
	Cone.	*Barker, Henry*	*Foreman*				
		Cameron, C					
		Lewis, R					
		Forbes, J					
		Hall, K.					
		Howell, J. H					
		Rhodes, T					
		Cone. Wages	*Do.*				
	Shipping	*Fraser, J.*	*Shipper*				
		Box and Shipping	*Do.*				
	Selling	*Churchill, A*					
		Summers, E					
		Salesmen's Wages	*Do*				
		Wages Cheque	*Cash Cr*				

The wages are posted directly from the cash book to the wages account or accounts in the ledger, and these accounts are closed to Manufacturing account if they represent wages of manufacturing, and to the Profit and Loss account if they represent wages [illegible]g or administration.

PLANT ACCOUNT

This account will be charged with the cost of Building and Machinery used in manufacturing, and with all repairs, additions and renewals. It will be credited with the value of the buildings and machinery at the close of the period, a certain percentage usually being deducted for depreciation by wear and use. The account should then be closed to Manufacturing account. In case the building or machinery or both are rented, the rent should be charged to Manufacturing.

TOOLS

If a large number of tools are used, it is better to keep a separate account, and close it to Manufacturing account.

THE FINANCIAL STATEMENT

Accounts kept in the manner described in the foregoing paragraphs furnish the data necessary fo a financial statement, such as is given in the following illustration.

The Loss and Gain division of the statement has been divided into five parts. This is not alway done. Sometimes the first three are combined in one account called the Manufacturing account Sometimes the first and second parts are combined, and sometimes the second and third parts ar combined, and in either case the combined account is called the Manufacturing account The division adopted seems to present the situation more clearly than any combination of the accounts can do

It will be observed that the Manufacturing account shows prime cost, not total cost. If tota cost is required, indirect expenses must be added.

The division "appropriation of profits" is peculiar to company accounts

THE ONTARIO BISCUIT COMPANY, LIMITED

Financial Statement Year Ending June 30, 19

MATERIAL ACCOUNT

On hand June 30, 19				*On hand June 30, 19*	2825
Purchases		6250		**Cost of Material used*	2175
Less Discounts	250				
		6250			
Add Freight	250				
Duty	250	500			
		6750			5000

MANUFACTURING ACCOUNT

Cost of Material used		2175			
Wages		9250			
Factory Expenses					
Heat, Light and Power	650				
Taxes on Factory	100				
Depreciation of Factory	250				
Repairs	250	1250		*Cost of Goods Manufactured*	18500
		18500			18500

TRADING ACCOUNT

On hand June 30, 19		2250		*Gross Sales*	31500	
Cost of Goods Manufactured		18850		*Less Rebates*	400	
Purchases of finished Goods	1500			*Discounts*	250	1250
Freight	50	1550		*Net Sales*		30250 100
		20750				
Deduct Inventory June 30, 19		2500				
Cost of Goods sold		18250	60.33			
Gross Profits		12000	39.67			
		30250	100.		30250	100.

PROFIT AND LOSS ACCOUNT

Office Rent	1500	4.92	*Gross Profits Trading*	11800	59.14
" *Salaries*	1560	7.17			
Salesmen's Salaries	1780	5.91			
Advertising	1300	4.31			
Travelling Expenses	350	1.16			
Depreciation of Fixtures	100	.33			
General Expenses	650	2.16			
Net Profits	4560	17.72			
	11800	59.14		11800	

APPROPRIATION OF PROFITS

Dividend No. 1, 5% on Capital Stock	1000	3.32	*Net Profits for the year*		
Reserve	3000	9.95			
Balance to Credit of Profit and Loss Account	560				

BALANCE SHEET

ASSETS			LIABILITIES		
Plant	6000		*To the Public*		
Less Depreciation 5%	300		*Accounts Payable*		
Goods on hand			*Bills Payable*		
Material on hand					
Accounts Receivable			*To the Shareholders*		
Bills Receivable			*Capital Stock*		
Cash on hand			*Net Profits*		
Cash in Bank					

The percentage calculations shown in the foregoing statement are made, as in the statement of a trading concern, on the basis of the turnover, or net sales. The calculations may be made on the basis of the factory output, in which case the inventories of stock in the Trading account would both be entered on the credit side, as shown in the following statement

TRADING ACCOUNT

Cost of Goods Manufactured		18550	57.80	*Gross Sales*	
Purchases of finished Goods	1500			*Less Rebates*	
Freight	50	1550	4.80	*Discounts*	
				Less Stock at beginning	
Gross Profits				*Add Stock at closing*	

SET VI

BISCUIT AND CONFECTIONERY MANUFACTURING

SPECIAL FEATURES. – Books and Accounts incident to a Manufacturing Business. The conversion of a partnership into a Joint Stock Company

INSTRUCTIONS

(*a*) BOOKS TO BE USED. –Purchase Book, Sales Book, Cash Book, Bill Book, Journal, all as principal books; General Ledger, Purchase Ledger, Sales Ledger, Stock Ledger, Time Sheet, Pay Roll.

(*b*) The Purchase book for this set should have a special column for Freight, and one for each of the departments, Biscuits and Confectionery. Distribute the freight to the departments, giving one line to each freight bill paid. It will then be posted to the Material accounts, with the value of the material. Post it also in total to the credit of Freight account in the General Ledger. Post to the debit side of the Freight account from the Cash Book. By posting in this way, the freight is both entered through the Ledger, in a separate account, and checked. Pay all freight bills as received

(*c*) The Sales Book should be provided with columns for the departments

(*d*) Cash Book. This book should have columns on the debit side for General, Accounts Receivable, Cash Discount Dr., Bank Dr ; and on the credit side for General, Accounts Payable, Cash Discount Cr., Expense Dr., Bank Cr

(*e*) The Time Sheet should be completed day by day, and the Pay Roll at the middle and end of the month. Seperate accounts must be kept for "Office Salaries," "Biscuit Wages," "Confectionery Wages," "Salesmen's Wages." The shipper's wages should be posted to "Box and Shipping" account, which should show the total shipping expenses for the month.

(*f*) Either keep five accounts for the Manufacturing in each department ("Biscuit Material," "Biscuit Manufacturing," "Biscuit Purchases, "Biscuit Sales," "Biscuit Inventory," and the corresponding accounts for the Confectionery).

Or combine the Purchases, Sales and Inventory in a Trading account.

(*g*) Keep two Cash Discount accounts, for "Discounts off Purchases" and "Discounts off Sales," and in closing them distribute the discounts to the departments in the proportion of the purchases and sales.

(*h*) Either write up the Expense Analysis sheet each week. Post in total to the Expense account from the cash book Do not distribute to subordinate accounts in the Ledger at the end of the month.

Or keep accounts in the Ledger for the necessary divisions of Expense account, and close them to Loss and Gain account

(*i*) Enter rebates through the Journal, and post them directly to the proper purchases and sales accounts.

DIRECTORY

Abbott, R., Toronto.
Beck, J., Woodstock.
Boyd, W. R., Belleville.
California Fruit Co., The, San Francisco
Curtis, H., Stratford.
Davidson & Co., T., Toronto
Gage, A W, Toronto.
Goldie Milling Co., The, Montreal.
Gordon King & Co, Montreal.
Graham, R, Kingston.
Hages, J, Guelph.
Morrison, G, Prescott.
McConnell, H., Berlin.
McDougall, J. & Co., Owen Sound.
Riddell, W. J., Toronto.
Rogers, E., Galt.
Rowe, R., Toronto
Sanford Bros., Toronto
Standard Refining Co., The, Montreal.
Stewart, B., Ottawa.
Turner Co., The Orris, Peterborough.
Walker, E., Collingwood
Wilkinson Box Co., The, Toronto
All others, Toronto

LEDGER LINES

Stock Ledger, 1 page, 8 accounts; Purchase Ledger, 2 pages, 4 accounts each; Sales Ledger, 5 pages, 4 accounts each; General Ledger. Arrange the accounts in the following order: Asset Accounts; Liability Accounts, including Capital Stock; Manufacturing and related accounts; Expense and related accounts; other accounts. Allow ½ page for each and transfer when necessary.

MEMORANDA OF TRANSACTIONS

Toronto, May 1, 19—. The firm of Thompson & Brown, Toronto, Ont., consisting of W. Thompson and H. Brown, partners in a Biscuit Manufacturing business, decides to organize under the Ontario Companies' Act as a Joint Stock Company to be known as the Ontario Biscuit and Confectionery Co. Limited, with an authorized capital of $25000 to be divided into 250 shares of $100 each. They are joined by H. Carter, Brampton; R. Foster, Guelph; and V. Berlett, Hamilton, who subscribe for 20 shares each, and agree to pay for the same in cash. The Assets and Liabilities of the old firm, as shown by the statement below, are taken over by the Company and fully paid up shares are issued therefor, cash being paid in each case for the fractional part of a share.

ASSETS

Cash, On hand	73.50	
On deposit in the Dominion Bank	1926.50	
		2000.00
Bills Receivable		
No. 1, Note dated Apr. 19 at 1 mo. against R. D Hamilton, with interest at 7	200.00	
No. 2, Draft dated Apr. 24 at 30 da. date, on H. Reid, accepted Apr. 26, with interest at 6	150.00	
		350.00
Accounts Receivable		
A. W. Gage	214.20	
H. McConnell	156.10	
R. Abbott	75.60	
W. R. Boyd	147.50	
J. Hayes	250.00	
	$843.40	
Less 10 for Bad Debts	84.34	
		759.06
Real Estate	4000.00	
Plant	4667.00	
		$667.00
Material, Biscuit Department	1200.00	
Confectionery Department	600.00	
		1800.00
Manufactured Goods—Biscuits	1800.00	
Confectionery	400.00	
		2200.00
Boxes, barrels, etc.		400.00
Interest accrued on Bills Receivable		.83
		16176.89

LIABILITIES

Accounts Payable		
The Goldie Milling Co. - - - - -	1350.00	
The Standard Refining Co. - - -	250.00	
		1600.00
Bills Payable—		
No. 1. Note favour the Goldie Milling Co., Apr. 9, at 2 mos. -	275.00	
No. 2, Acceptance favour C Barnes, Apr 7, at 30 da.	220.00	
		495.00
W. Thompson, Net Capital - - -		8044.67
H Brown, Net Capital - - - - - - -		6037.22
		16176.89

W. Thompson is elected President, and Student is engaged as Accountant and Secretary of the Company at a salary of $100 a month

Prepare the Memorandum of Agreement and Stock Book, and have it properly signed.

Prepare the Instalment List for a first call of 100 per cent. on the Capital Stock. Carter, Foster and Berlett pay cash in full for their shares

Issue the certificates to the shareholders.

Open the books for the Company, making all necessary entries, then take a Trial Balance

Following are the employees: Miss Mary Dunlop, stenographer, at $10 a week; Wm. Smith storekeeper, at $60 a month; Jas. Robertson, foreman of the Biscuit Department, and Henry Barker, foreman of the Confectionery Department, at $90 each per month; R. Dixon, G. Elliott, R. Wright, P. Davis, T. Jones, P Ballard, hands in the Biscuit Department C. Cameron, R. Lewis, J. Forbes, K. Hall, J. H. Howell, T. Rhodes, hands in the Confectionery Department, at 30 cents an hour, 9 hours to the day; J. Fraser, shipping clerk, at 30 cents an hour; Arthur Churchill and E. Summers, salesmen, at $90 a month and expenses. All engagements with the Company date from May 1. Wages are paid at the middle and end of the month

Prepare the necessary Time Sheets.

Deposit all cash but $73.50 in the Dominion Bank, and make all payments by cheque unless otherwise directed.

Pay R. Wilkinson's bill for a set of office books and stationery, $45

Pay Insurance premium, $90.

Give Churchill and Summers, each a cheque for $15 on account of travelling expenses.

2. The following invoices have been received: The Goldie Milling Co., Apr. 27, $^{2}/_{10}$, $^{n}/_{30}$, 20 bbls Flour @ $6.75; 4 bbls. Oatmeal @ $7.25 (Bis. Dept.); freight paid, $15.

The Standard Refining Co., Apr. 30, $^{3}/_{10}$, $^{n}/_{30}$: 10 bbls. Gran. Sugar, 282-21, 285-23, 284-22, 286-20 290-23, 289-22, 287-24, 290-22, 284-20, 291-21 @ 4¼c.; 10 bbls. Pulverized Sugar, 294-21 290-24, 292-20, 286-23, 292-24, 287-21, 290-22, 286-24, 288-20, 290-22 @ 4¾c. (Conf. Dept.) freight paid, $20.

A. W. Gage paid his account in full in cash.

The following orders have been filled: J. Beck, $^{4}/_{10}$, $^{n}/_{30}$, 1 bbl. Arrowroot Bis., 60 lbs., @ 12c 1 bbl. Fruit Bis., 70 lbs., @ 12½c., 5 doz. bxs. Sodas @ 17½c. a box.

H. McConnell, $^{4}/_{10}$, $^{n}/_{30}$, 4 bxs. Oyster Bis., 20 lbs. ea., @ 7½c.; 2 bbls. Mixed Bis., 63 lbs. ea. @ 8c.; 1 doz. bxs. Ginger Snaps, 30 lbs. ea., @ 10c.

Time lost: Jones, 2 hrs.; Cameron, 1 hr.

H. McConnell paid his account in full in cash.

The following invoices have been received: The Standard Refining Co., May 1, [illegible], 10 bbls. Molasses, 40, 42, 41, 43, 45, 41, 44, 42, 43, 45 gals. @ 30c. (Conf.); 5 bbls. Y. Sugar, 344 20, 345 18, 340 21, 344 17, 345 22 @ 3¼c. (Bis.); freight, $10. (Bis. $3, Cont. $7.

Sanford Bros., May 3, 5/10, n/30. 15 c/s B. Soda @ $3.60; 10 c/s Ginger @ $4.80 (Bis.); delivery, $2.50.

Gordon King & Co., May 1, 3/10, n/30. Flavourings, 3 doz. Lemon @ 90c.; 4 doz. Almond @ $1; 5 doz. Vanilla @ 75c. (Conf.); freight, $1.50.

Paid the Wilkinson Box Co. for an invoice of boxes, $125.75.

These orders have been filled: R. Abbott, 30 dz., 2 bbl. Arrowroot Bis., 60 lbs. ea., @ 12c.; 12 bxs. Oyster Bis., 20 lbs. ea., @ 10c.; 12 bxs. G. Snaps, 30 lbs. ea., @ 14c.

W. R. Boyd, 2/10, n/30. 12 bxs. Oatmeal Wafers, 18 lbs. ea., @ 9c.; 2 bbls. Mixed Bis., 63 lbs. ea., @ 7½c.

Deposit all cash on hand.

Time lost: Wright, 1 hr.

Pay the Goldie Milling Co.'s account to May 1, less disc.

Pay J. Green for repairs in the Biscuit Dept., $15.20.

Draw on R. Abbott at 10 da., for the amount of his account.

The following invoices have been received: The California Fruit Co., May 1, n cash, 12 bxs. Layer Raisins, 28 lbs. ea., @ 7c.; 12 bxs. Currants, 56 lbs. ea., @ 6c. (Bis. Dept.). Pay duty, $15, and freight, $5.

T. Davidson & Co., May 3, n cash, 15 bbls. Oatmeal at $4.50 (Bis. Dept.).

These orders have been filled: J. Hayes, S.D. with monthly statement, 1 bbl. Fruit Bis., 70 lbs. ea., @ 12c.; 1 bbl. Soda Bis., 66 lbs., @ 7c.; 5 pails Acid Drops, 125 lbs., @ 7c.; 10 bxs. Assorted Creams, 60 lbs., @ 20c.

H. Curtis, note at 10 da., with M.S., 4 bxs. Oyster Bis., 80 lbs., @ 10c.; 3 bxs. Oatmeal Wafers, 54 lbs., @ 12c.; 1 bbl. Mixed Candy, 220 lbs., @ 4c.; 4 bxs. Assorted Creams, 24 lbs., @ 20c.

Pay by bank draft purchased at 99½, the invoice of the California Fruit Co. received to-day.

Pay by cheque, T. Davidson & Co.'s invoice received to-day.

Time lost: Ballard, 1½ hrs.; Lewis, 2 hrs.

7 W. R. Boyd and J. Hayes pay their accounts n. in full to May 1 by cheque.

Pay the Standard Refining Co.'s account to May 1 by bank draft, purchased by cheque, exchange ¼.

Pay the Goldie Milling Co.'s invoice of Apr. 27, less disc.

H. Brown has, with the consent of the company, transferred 20 shares of his stock to H. L. Packard, Toronto. Write the form of transfer and the stock certificates, and make the necessary entries.

The following invoices have been received: The Goldie Milling Co., May 2, 2/10, n/30. 25 bbls. Flour, Grade A, @ $5.75; 30 bbls. Grade B. Flour @ $5.50 (Bis.); freight, $3.50.

Sanford Bros., May 4, 5/10, n/30. 4 bxs. B. Soda @ $2; 1 bbl. Ginger, 100 lbs., @ 23c. (Bis.).

These orders have been filled: The Orris Turner Co., n/c, 5 drums Maple Chocolates, 20 lbs. ea., @ 15c.; 20 bxs. Caramels, 30 lbs., @ 14c.; 10 tins Butter Scotch, 7 lbs. ea., @ 10c.

E. Walker, [illegible], 2 doz. bxs. Ginger Snaps, 9 lbs. ea., @ 13c.; 12 tins Fruit Bis., 14 lbs. ea., @ 12½c.; 3 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.

Lee, time. Dixon, 2 hrs.; Hall, 3 hrs.

9 W. Thompson, with the consent of the company, has transferred 15 shares of his stock to R. Wilson, Toronto, at $110 a share. Make the necessary forms and entries.

The following orders have been filled: A. W. Gage, 30 da., 10 drums Wrapped Taffy, 15 lbs. ea. @ 9c.; 4 drums Maple Chocolates, 20 lbs. ea., @ 15c.; 6 tins Butter Scotch, 7 lbs. ea., @ 10c.; 10 bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 12 bxs. G. Snaps, 9 lbs. ea., @ 13c.

R. Rowe, 30 da., 10 bottles Assorted Tablets, 5 lbs. ea., @ 15c.; 12 drums Mixed Candy, 20 lbs. ea. @ 8c.; 2 doz. bxs. Caramels, 40 lbs., @ 14c.; 10 tins Arrowroot Bis., 8 lbs. ea., @ 12½c.; 12 tins Fruit Bis., 14 lbs. ea., @ 12½c.

G. Morrison, S D with M S, 2 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.; 5 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c.; 5 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.

Summers reports travelling expenses, $12; Churchill, $11.50.

Time lost: Hall, 1 hr.; Wright, 1 hr.

Post up to date. Find Cash and Bank balances

Give to Churchill and Summers, each $13 on account of travelling expenses.

Pay by cheque, the invoice of the Standard Refining Co. of Apr. 30.

Receive from J. Beck and H. McConnell, cheques for their bills of May 2, less disc.

These orders have been filled: R. Graham, 30 da., 10 drums M. Chocolates, 20 lbs. ea., @ 15c.; 2 doz. bxs. Assorted Creams, 1 lb. ea., @ 18c.; 5 pails Acid Drops, 125 lbs., @ 12c.; 5 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.; 3 doz. tins Fruit Bis., 14 lbs. ea., @ 12½c.

E. Rogers, $\frac{4}{10}$, $\frac{n}{30}$, 4 drums M. Candy, 20 lbs. ea., @ 18c.; 6 tins Bu. Scotch, 7 lbs. ea., @ 10c.; 1 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.; 1 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c.

Deposit all cheques on hand; exchange ⅛ % on out of town cheques.

9 Pay by bank draft, purchased by cheque (exchange ¼ %), the invoice of the Standard Refining Co., May 1, and the invoice of Gordon King & Co., May 1, less discount 1% each case.

Receive from W. R. Boyd, his cheque for the sale of the 3rd, less discount.

These invoices have been received: Sanford Bros., May 8, $\frac{5}{10}$, $\frac{n}{30}$, 12 bxs. B. Soda @ $2; 1 bbl. Ginger, 100 lbs., @ 23c. (Bis.)

Gordon King & Co., May 6, $\frac{3}{10}$, $\frac{n}{30}$, 5 gross Assorted Flavourings, 90c. a doz. (Conf.); express, $1.25; pay it in cash.

These orders have been filled: B. Stewart, $\frac{2}{10}$, $\frac{n}{30}$, 5 pails Acid Drops, 25 lbs. ea., @ 12c.; 6 drums M. Chocolates, 20 lbs. ea., @ 15c.; 1 doz. bxs. Caramels, 2 lbs. ea., @ 14c.

E. Walker, $\frac{2}{10}$, $\frac{n}{30}$, 2 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 3 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.; 8 tins Fruit Bis., 14 lbs. ea., @ 12½c.

Time lost: Rhodes, 1 hr.

10 Pay by bank draft, purchased by cheque (exchange ⅛ %), the invoice of the Goldie Milling Co. of May 2.

Receive from the Orris Turner Co., a cheque for their order of the 5th.

Pay by cheque, the acceptance of Apr. 7, favour C. Barnes, due to-day.

These invoices have been received: The Standard Refining Co., May 8, $\frac{5}{10}$, $\frac{n}{30}$, 10 bbls. Molasses, 40, 42, 43, 44, 41, 45, 43, 42, 44, 46 gals. @ 30c. (Bis.); 10 bbls. Glucose, 280 lbs. ea., @ 3c. (Conf.); freight, $17.50. (Bis. $10.50, Conf. $7.)

The Goldie Milling Co., May 8, $\frac{2}{10}$, $\frac{n}{30}$ bbls. Flour @ $5.75; 5 bbls. Oatmeal @ $4.50 freight, $12.50.

These orders have been filled: J. McDougall, $\frac{2}{10}$, $\frac{n}{30}$, 2 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c.; 1 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 1 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c.

W. J. Riddell, 30 da., 5 pails Acid Drops, 125 lbs., @ 12c.; 2 drums Wrapped Taffy, 15 lbs. ea. @ 9c.; 20 bxs. Assorted Creams, 1 lb. ea., @ 18c

11. These orders have been filled: R. Abbott, 30 da., 1 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c., 2 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.; 1 doz. tins Fruit Bis., 14 lbs. ea., @ 12½c.

G. Morrison, S D with M S, 1 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c.; 1 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c.; 1 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.

12. Receive from E. Walker, his cheque for the bill of the 5th, less disc.

Pay J. Green for repairs in the Conf. Dept., $10.25

The following order has been filled: A. W. Gage, 30 da., 5 drums M. Candy, 20 lbs. ea., @ 8c., 5 bottles Assorted Tablets @ $1; 20 bxs. Caramels, 30 lbs., @ 14c.

Time lost: Hall, 1½ hrs.; Wright, 1½ hrs.

13. Receive from the California Fruit Co., the following invoice, May 10, [illegible] 12 bxs. Currants, 56 lbs. ea., @ 7c.; 24 bxs. Raisins, 28 lbs. ea., @ 8c., (Bis.) the freight was prepaid. Pay the duty, 1c. a pound, in cash.

These orders have been filled: J. Beck, 30 da., 10 drums M. Chocolates, 20 lbs. ea., @ 15c., 10 drums Mixed Candy, 20 lbs. ea., @ 8c., 3 doz. bxs. Caramels, 50 lbs., @ 14c.

E. Rogers, 2/10, n/30, 10 bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c., 10 bxs. Fruit Bis., 14 lbs. ea., @ 12½c.; 10 bxs. Sodas, 20 lbs. ea., @ 7½c.

Mr. Churchill hands in cash for R. Abbott's account, and also for R. Rowe's account to date, and reports travelling expenses for the week, $13.50.

Mr. Summers hands in cash for W. J. Riddell's account and A. W. Gage's account to date, and reports travelling expenses for the week, $12.75.

Deposit all cheques and all cash on hand but $50; exchange ¼ on out of town cheques.

Time lost: Rhodes, 1½ hrs.; Dixon, 1 hr.

15. Give Messrs. Churchill and Summers, each $13.50 on account of travelling expenses.

These orders have been filled: B. Stewart, 2/10, n/30, 5 drums M. Chocolates, 20 lbs. ea., @ 15c., 5 drums M. Taffy, 15 lbs. ea., @ 9c.; 2 doz. bxs. Assorted Creams, 1 lb. ea., @ 18c.; 2 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 3 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.

J. Hayes, S D with M S, 3 doz. bxs. Caramels, 52 lbs., @ 14c.; 3 pails Acid Drops, 72 lbs., @ 12c., 5 drums M. Chocolates, 20 lbs. ea., @ 15c.

Make out the Pay Sheet. Draw the necessary money, and pay the wages for the half month. Make a memorandum showing the change required.

Post up to date. Post totals. Close the cash book and bring down balances.

Take off a Trial Balance.

16. Pay the following bills by cheque (discount allowed): Sanford Bros.' bills of May 3 & 4, and Gordon King & Co.'s bill of May 6.

These orders have been filled: The Orris Turner Co., n/c, 5 drums M. Chocolates, 20 lbs. ea., @ 15c., 5 drums M. Candy, 20 lbs. ea., @ 8c.; 3 doz. bxs. Caramels, 50 lbs., @ 14c.

R. Rowe, 30 da., 5 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.; 10 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.; 2 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c.

Time lost: Rhodes, 1 hr.; Cameron, 1½ hrs.

17. Pay by bank draft the bills of the Standard Refining Co. and the Goldie Milling Co. of the 8th, less disc.

Receive cheques from E. Rogers for bill of the 8th, less disc., and R. Abbott for his acceptance of the 4th, due to-day.

18. Pay by cheque Sanford Bros.' bill of the 8th, less disc.

Receive cheques for bills of E. Walker and B. Stewart of the 9th.

These orders have been filled: G. Morrison, S D with M S, 2 tins Fruit Bis., 14 lbs. ea., @ 12½c
3 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 5 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.; 1 doz bx. Oatmeal Wafers, 7 lbs. ea., @ 12½c

R. Graham, 30 da., 4 pails Acid Drops, 100 lbs. net, @ 12c.; 5 bottles Assorted Tablets @ $1.25
3 drums M. Candy, 20 lbs. ea., @ 8c.; 12 tins Bu. Scotch, 7 lbs. ea., @ 10c

19 Pay by bank draft purchased at ¼ premium, the bill of the California Fruit Co. of the 10th, less discount

Receive from J. McDougall & Co., their cheque for the bill of May 10th, less disc.

These orders have been filled: W. J. Riddell, 30 da., 5 doz. bxs. Assorted Creams, 1 lb ea., @ 18c
4 drums M. Chocolates, 20 lbs. ea., @ 15c.; 5 drums Wrapped Taffy, 15 lbs. ea., @ 9c
3 doz. bxs. Caramels, 45 lbs., @ 14c

J. McDougall & Co., n c, 6 bxs. Arrowroot Bis., 8 lbs. ea., @ 12½c; 8 bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 2 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c

20 These invoices have been received. The Wilkinson Box Co., n c, $50.75. Pay this by cheque

The Goldie Milling Co., May 18, 2/10, n/30, 10 bbls. Flour @ $5.75; 4 bbls Oatmeal @ $4.50 (Bis.); freight, $6.25

These orders have been filled: W. R. Boyd, 2/10, n/30, 2 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c
2 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.; 1 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c.

E. Stewart, 2/10, n/30, 3 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.; 1 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.; 6 tins Fruit Bis., 14 lbs. ea., @ 12½c., 5 doz. bxs. Caramels, 70 lbs., @ 14c.; 6 drums M. Candy, 20 lbs. ea., @ 8c.; 5 pails Acid Drops, 125 lbs., @ 12c.

Mr. Summers reports travelling expenses for the week, $16.25; Mr. Churchill, $15.75.

Post up to date. Find cash and bank balances.

22 Give to Churchill and Summers, each $18 to meet travelling expenses.

Pay cash for repairs in the Confectionery Dept., $4.25; also for stamps and stationery, $4.75.

These orders have been filled: R. Graham, 30 da., 5 bottles Ass. Tablets @ $1; 4 drums M. Chocolates, 20 lbs. ea., @ 15c.; 3 doz. bxs. Ass. Creams, 40 lbs., @ 18c.; 4 doz. tins Bu. Scotch, 7 lbs. ea., @ 10c.; 2 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c.; 2 doz. tins Fruit Bis., 14 lbs. ea., @ 12½c.; 2 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.

G. Morrison, S D with M S, 3 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.; 2 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c.; 2 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.

Receive from R. Hamilton, his cheque in payment of his note and interest due to day

Time lost: Rhodes, 1½ hrs.; Cameron, 1½ hrs.

23 Draw on R. Graham at 30 da. from May 8, for the amount of his bill of that date, and leave the draft with the bank for collection.

These orders have been filled: The Orris Turner Co., 2/10, n/30, 1 doz. tins Bu. Scotch, 7 lbs ea., @ 10c.; 5 doz. bxs. Caramels, 75 lbs., @ 14c.; 6 drums M. Candy, 20 lbs. ea., @ 8c., 6 drums W. Taffy, 15 lbs. ea., @ 9c

J. Beck, 30 da., 6 drums M. Chocolates, 20 lbs. ea., @ 15c.; 6 drums M. Candy, 20 lbs. ea., @ 8c., 3 doz. bxs. Ass. Creams, 45 lbs., @ 18c.; 6 tins Bu. Scotch, 7 lbs. ea., @ 10c

Time lost: Lewis, 1 hr.; Hall, 1½ hrs

24 Receive from E. Rogers, his cheque for the bill of May 13, less disc

Draw on J. Beck at 30 da. from May 13, for the bill of that date

Receive the following invoice from the Standard Refining Co., May 20, 1/10, n/30, 6 bbls. Glucose, 280 lbs. ea., @ 3c. (Conf.); 10 bbls. Molasses, 40, 42, 41, 43, 42, 45, 43, 44, 41, 45 gals. @ 30c (Bis.); freight, $11.50 (Conf. $4.50 Bis., $8.)

These orders have been filled: H. McConnell, [illegible], 2 doz. bxs. Oatmeal Wafers, 7 lbs. ea., @ 12½c.; 2½ doz. bxs. G. Snaps, 9 lbs. ea., @ 13c., 3 doz. bxs. Fruit Bis., 14 lbs. ea., @ 12½c.

E. Rogers, [illegible], 6 drums M. Chocolates, 20 lbs. ea., @ 15c., 3 pails Acid Drops, 75 lbs., @ 12c., 1 doz. tins Bu. Scotch, 7 lbs. ea., @ 10c.

Deposit all cheques on hand, exchange ¼ per cent. on out of town cheques.

Time lost: Elliott, 1 hr.; Howell, 1 hr.

Receive from B. Stewart, his cheque for the net amount of the [illegible] May 1st.

These orders have been filled: J. Hayes, S.D. with M.S., 6 tins Bu. Scotch, 7 lbs. ea., @ 10c., 3 pails Acid Drops, 75 lbs. @ 12c.; 6 drums M. Candy, 20 lbs. ea., @ 8c.

H. Curtis, note at 10 da. with M.S., 2 doz. tins Ar. Bis., 8 lbs. ea., @ [illegible], 6 doz. tins Fruit Bis., 14 lbs. ea., @ 12½c., 1 doz. bxs. Sodas, 20 lbs. ea., @ 7½c.

Receive from the Orris Turner Co., a cheque for their bill of the 15th.

Pay the Goldie Milling Co. by bank draft, for their bill of the 18th.

These orders have been filled: E. Walker, [illegible], 2 doz. tins Arrowroot Bis., 8 lbs. ea., @ 12½c., 2 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c., 1 doz. bxs. Sodas, 20 lbs. ea., @ 7½c., 1 doz. bx Oatmeal Wafers, 7 lbs. ea., @ 12½c.

J. McDougall & Co., [illegible], 2 doz. bxs. G. Snaps, 9 lbs. ea., @ 13c., 2 doz. bx. Fruit Bis., 14 lbs. ea., @ 12½c.; 1 doz. tins Ar. Bis., 8 lbs. ea., @ 12½c.

Time lost: Cameron, 2½ hrs.

17 Receive from the Standard Refining Co., the following invoice, May 25th: [illegible] Y Sugar, 335 15, 340 20, 338 15, 336 14, 339 12, 342 20, 338 16, 340 20, 336 14, [illegible] 20, 342 15, (Bis.): 10 bbls. G. Sugar, 285 22, 280 20, 283 21, 282 20, 284 18, 285 23, 284 20, 286 24, 283 15, 285 24 @ 4½c. (Conf.) freight prepaid.

Receive from J. McDougall & Co., a cheque for their bill of the 19th.

These orders have been filled: R. Abbott, 30 da., 6 tins Ar. Bis., 8 lbs. ea., @ 12½c., 12 tins Fruit Bis., 14 lbs. ea., @ 12½c., 12 tins Oyster Bis., 2½ lbs. ea., @ 8c., 6 bxs. Sodas, 20 lbs. ea., @ 7½c.

A. W. Gage, 30 da., 5 bottles Ass. Tablets @ 8l., 1 doz. drums M. Chocolate, 30 lbs. ea., @ [illegible], 16 drums M. Candy, 20 lbs. ea., @ 8c., 3 doz. bxs. Caramel, 11 lbs., @ [illegible].

Time lost: Rhodes, 2 hrs.

Mr. Summers hands in cash for W. J. Riddell's account to date, and reports travelling expenses for the week, $17.50. Mr. Churchill hands in cash for R. Rowe's account to date, and reports travelling expenses, $16.25.

Received from H. Reid, his cheque for the amount of his acceptance and interest, due to-day.

Deposit all cheques on hand. Usual exchange.

Post up to date. Find cash and bank balance.

20 Give to Mr. Churchill and Mr. Summers, each $20 on account of travelling expenses.

Receive from W. R. Boyd and from B. Stewart, cheques for their bills of the 20th.

These orders have been filled: W. J. Riddell, 30 da., 1 doz. tins Bu. Scotch, 7 lbs. ea., @ 10c., 5 doz. bxs. Caramels, 75 lbs., @ 14c.; 6 drums M. Candy, 20 lbs. ea., @ 8c., 6 drums M. Chocolates, 20 lbs. ea., @ 15c., 3 pails Acid Drops, 75 lbs. ea., @ 12c.

R. Rowe, 30 da., 1 doz. bxs. O. Wafers, 7 lbs. ea., @ 12½c., 3 doz. bxs. Fruit Bis., 14 lbs. ea., @ 12½c.; 2 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c.

30. These orders have been filled: H. McCo[illegible], 4 doz. tins Ar. Bis., 8 lbs. ea., @ 12½c., 3 doz. bxs. Oyster Bis., 2½ lbs. ea., @ 8c., 6 bxs. Sodas, 20 lbs. ea., @ 7½c., 2 doz. bxs. O. Wafers, 7 lbs. ea., @ 12½c.

E. Walker, $\frac{1}{10}$, $\frac{1}{5}$, 2 doz. tins Bu. Scotch, 7 lbs. ea., @ 10c.; 5 doz. bxs. Ass. Creams, 73 lbs @ 18c.; 4 drums M. Chocolates, 20 lbs. ea., @ 15c.; 6 drums M. Candy, 20 lbs. ea., at 8c.

Pay the bill of the City Electrical Co. for Heat, Light and Power, $175

31. Deposit all cheques, usual exchange. Complete the pay sheet and pay wages to date.

Post up to date. Post totals. Close the Cash Book and bring down balances. Take a Trial Balance.

Render monthly statements to G. Morrison, J. Hayes, and H. Curtis, and enclose with each the necessary draft for acceptance or note for signature. The drafts should be attached to the statements, and sent through the bank.

Make out the Financial Statement, using the following Inventories:

Biscuit Material	$800	*Biscuit (Manufactured Goods)*	$350
Confectionery Material	550	*Confectionery (Manufactured Goods)*	170
Boxes, etc.	35		

Depreciation on Plant and Machinery, 1%.

Insurance 11 mos. paid in advance.

Travelling expenses for 3 days (estimated), $16.50

Make the following division

Box and Shipping (Cost and Inventory) Biscuits, $\frac{1}{2}$; Confectionery, $\frac{1}{2}$.

Depreciation on Plant and Machinery Biscuits, $\frac{2}{3}$; Confectionery, $\frac{1}{3}$.

Heat, Light and Power Biscuits, $\frac{1}{3}$; Confectionery, $\frac{1}{3}$; General, $\frac{1}{3}$.

Appropriation of Profits:

(*a*) A dividend of 1 is declared.

(*b*) The balance is to be brought down in Profit and Loss account.

Prepare the Dividend Book. Pay the dividend and close the Cash Book. Close the books.

COST ACCOUNTING

By Cost Accounting, is meant a system of Accounting so arranged and so complete as to provide the data necessary for finding the complete cost of the manufactured product either by the unit, as pound, yard, ton, etc.; or by the article, as a boiler; or by the job.

The primary object of such a system is, therefore, to show

1. The prime cost or the cost of production
2. The analysis of such cost

But a well arranged system will also

1. Provide reliable records of work done for future reference.
2. Provide the means of detecting waste of material or loss of time.
3. Act as a check on managers or others in authority.
4. Make possible the preparation of periodical returns which will show the progress of the business.

The items entering into the complete cost of a manufactured product may be set down as follows

1. Material, including freight and duty.
2. Wages of workmen, whether by the piece or by the day.

3. Workshop expenses, which include wages of Superintendence [illegible] Foremen

Lighting
Heating
Rent
Taxes
Insurance
Depreciation and Upkeep

} Of Plant and Building

4. General Expenses (Distribution and Administration) Salaries of Officers and Directors, Upkeep of Office and Warehouse, Interest and Bank Charges, Travellers' Salaries, Commissions and Expenses, Bad Debts

5. Profits

The first three sections given above make up the prime cost of the product; the first four sections make up the gross cost or cost of production, and the five sections make up the selling price.

Cost accounts may be divided into two classes, in which, while the principles involved are the same, the methods of record are different.

In the first class are the accounts of all factories having a uniform output, such as [illegible] textile fabrics, etc. For these it is necessary to collect the data in such a way as to show the cost of processes or the cost of the product on the basis of a given unit, a pound, yard, etc. The cost of processes may in some cases be most readily found by special tests. Care must be taken [illegible] to have the conditions of the test as nearly as possible the normal conditions of production.

In the second class are the accounts of all factories producing special articles or filling special contracts. For this class the data must be collected so as to show the cost of the completed article, or of all the articles included in a particular contract.

As the method of the record suitable for a factory in the first class would not be [illegible]able for a factory in the second class, and as the former is the simpler of the two, we shall consider it first. And, further, for the sake of clearness, we shall take a particular instance.

We shall take the Confectionery Department of the business of Set VI, divided into [illegible] three departments, "Chocolates," "Bonbons," "Taffies," and record the transactions for June.

The books are to be arranged to show the average price per pound in each department. The price of each grade of goods in each department will be found by special tests. By adopting this method we shall be able to arrange a system of cost accounts in comparatively simple form, and at the same time obtain all the results required of such a system.

The usual books of account will be kept. There will be one Material account, and a Manufacturing and a Trading account for each department, and the Trading accounts will show the gross profit in each department for the month.

The special books will have reference to the material. The record of wages requires nothing different from that of last month. It will only be necessary to rearrange the names on the pay roll to correspond to the change in departments.

The elements of cost may be considered in order.

MATERIAL

The Storekeeper's Record

The Material, being usually an important item in the cost of manufacture, should be accounted for as carefully as is the cash or the time of the employees, and should be placed in charge of a storekeeper who checks up all invoices of material received and issues it to the factory upon orders from the foremen.

The same man may also have charge of the manufactured product, receiving it from the factory an passing it out to the shipper

The materials are entered as received in the Storekeeper's Journal, which is ruled to show on th left-hand side all materials received, and on the right-hand side all materials given out. Posting ma then be done from this book to the Storekeeper's Ledger, which should contain an account for eac kind of material used, and, when the posting has been completed, would show the quantity received an the quantity given out to the factory, the difference between the two sides being the balance of materia on hand

The manufactured goods may be dealt with in the same manner, both records being kept b quantities, or by quantities and prices if desired

As these books are not an integral part of the books of account, they are not illustrated here.

The Bookkeeper's Record

For the bookkeeper's record three sets of data are required

1. Material purchased
2. Material used.
3. Quantities of goods manufactured

The material purchased should be entered in the usual way in a Material Journal or Purchase Journal, which will be ruled to show the quantity and value of the different kinds of material used Thus if the materials required are Sugar, Glucose, Nuts, Flavouring, Chocolate, Cream, Butter, the ruling of the Purchase Journal would be as under:

PURCHASE JOURNAL, OR MATERIAL JOURNAL

Date	Invoice No.	Folio	Name	Freight	Amount of Invoice	SUGAR		GLUCOSE		NUTS		FLAVOURING		CHOCOLATE		CREAM		BUTTER	
						Wt.	Amt.	Wt.	Amt.	Wt.	Amt.	Quan.	Amt.	Wt.	Amt.	Gals.	Amt.	Wt.	Amt.

A Material Ledger will also be kept, and it will contain an account for each kind of material used. Posting will be done monthly from the Purchase Journal to these accounts.

Corresponding to the Material Ledger there will be a Material Account in the General Ledger The total of the column headed "Amount of Invoice," and also of the column headed "Freight," will be posted to the debit of this account. The freight must, of course, be distributed and included with the amounts of the different kinds of material to be posted at the end of the month.

The complete posting of the Purchase book will therefore be

(*a*) By invoices to the credit of the personal accounts named.
(*b*) By totals, "Invoice" and "Freight," monthly to the debit of "Material Account" Gen. Ledger.
(*c*) By totals, including freight, to the debit of the several accounts in the "Material Ledger."

Form of Account in Material Ledger

SUGAR ACCOUNT

Date	Quantity	Value	Date	Quantity	Value

MATERIAL USED

Materials are issued from stores upon the order of the foreman of each department, who also reports the quantity of material used and of goods manufactured.

The form used for this purpose should be as simple as possible. For example, such a form as the following, with names changed to suit the different departments

CHOCOLATE DEPARTMENT

How much Sugar used . . . . . .
How much Glucose used . . . . . .
How much Nuts used . . . . . .
How much Flavoring used. . . . . .
How much Chocolate used. . . . . .
How much Cream used . . . . . .
. . . . . .

How many pounds Creams made . . . . . .
How many pounds Chocolates made . . . . . .
How many pounds Caramels made . . . . . .
. . . . . .

Date . . . . . .

. . . . . *Foreman.*

From this daily report of the foreman of each department a monthly summary is made of "Material Used," and also of "Goods Produced" or "Goods Manufactured.

Form of Summary of Materials Used

Materials Used CHOCOLATE DEPARTMENT

Month of. . . . . .

Date	L.F.	Sugar	Glucose	Nuts	Flavorings	Chocolate	Cream
June 2		50	400	12½	6 oz.	5	1 gal
" 3		85	68	15	8 oz.	7	1½ "
" 7		75	62½	13¾	7½ oz.	6	1 "
&c.		*&c.*	*&c.*	*&c.*	*&c.*	*&c.*	*&c.*
&c.	SUMMARY						
	Sugar . . . . . lbs. @ . . . $						
	Glucose . . . . lbs. @						
	Nuts . . . . . lbs. @						
	&c. &c.						
	Cost of Material Used . . . $ . . .	*Total for Mo*	*Total for Mo*	*Do.*	*Do.*	*Do.*	*Do.*

The quantities and values of these materials will be posted at the end of the month to the credit of the several accounts in the Material Ledger, and the total will be transferred from the Material Account in the General Ledger to the Manufacturing Account in the General Ledger by the following Journal entry:

Chocolate Manufacturing Dr
Material Account Cr
For Material for June

The Material for the other departments will be dealt with in like manner. All may be combined in one Journal entry if desired.

The question of prices in the foregoing summary presents a difficulty. Since there may be several purchases of any material during the month, the price of material used may not be the same throughout the month. This difficulty is met by taking in any month the average price, including freight, extending over a period of some months preceding.

Form of Summary of Goods Manufactured

Goods Manufactured CHOCOLATE DEPARTMENT

Month of . . . . . .

Date	Creams	Chocolates	Caramels
June	... lbs.	... lbs.	... lbs.
"	... lbs.	... lbs.	... lbs.
&c.	&c.	&c.	&c.
	Total	*Total*	*Total*

The totals in this summary correspond with the totals of goods received, entered by the storekeeper in his books. They are not posted into the books of account, but are used in finding the average cost per pound.

WAGES

By entering the names of employees on the pay roll in groups according to the departments they are engaged in, the total of wages for each department may be obtained.

These totals may be posted directly to the Manufacturing accounts, or to the debit of a Wages account, from which they are distributed to the different Manufacturing accounts by the following journal entry:

Chocolate Manufacturing Dr.
Bonbons Manufacturing "
Taffy Manufacturing "
General Wages Cr.
For wages for June.

WORKSHOP EXPENSES

It is obvious that any piece of work turned out by a factory costs more than the material it contains, together with the wages of the workmen engaged on its production. Factory space, light, heat, power, machinery, etc., have been used, and a foreman or a superintendent has spent all or part

of his time directing the work of workmen. Every part of the product of the factory must bear its due proportion of these expenses; and if, in the business under consideration, we wish to find the cost per pound of the candy in a department, we shall have to add workshop expenses to the cost of material and labour.

The financial statement at the end of the year shows cost of material for the year, cost of wages, workshop expenses, and general expenses. From this we may find what proportion of the cost of manufactured goods is made up of workshop expenses. It is usual, however, to calculate the percentage not on total cost but on wages for the reason that this amount is more constant than is the cost of material, or even the cost of material plus wages; and, moreover, wages vary with the time occupied in manufacture, as do most of the workshop expenses. If then we find that workshop expenses for a year amount to, say, $560, and workshop wages to $2240, we conclude that the workshop expenses amount to 25 % of the workshop wages, and to find the cost per pound for any period we add this proportion of the wages for the period to cover workshop expenses. This percentage should be compared from year to year with actual results and corrected as experience requires.

GENERAL EXPENSES

In the same way, the percentage of general expenses on workshop wages may be ascertained. The two percentages may be taken separately or they may be added together if desired.

The term "General Expenses" has been used here to include expenses of administration, of maintenance, of distribution, and even bad debts. By using the term with this meaning, the cost we find will be the complete cost, beyond which all we are able to obtain from our customers would be net profit.

If we wished to find the cost when the goods are ready for market, the selling expenses and bad debts would have to be excluded from the general expenses, as would also a proportion of the administration expenses, and the expenses of maintenance so far as the selling side of the business is concerned.

In a business such as we are dealing with, it does not seem necessary to make this division.

Cost per pound. The items entering into the complete cost have now been ascertained, and they must be combined, thus:

CHOCOLATES

Cost of Material, from the Foreman's Report of Material Used	
Cost of Wages for the Department, from the Pay Roll	
Percentage of Workshop Expenses on Wages of the Department	
Percentage of General Expenses on Wages of the Department	
Total cost of Goods manufactured	
Quantity produced, from Foreman's Report of Goods Produced	
Cost per pound	

SET VII

CANDY MANUFACTURING—COSTING

SPECIAL FEATURES.—The books and accounts incident to cost accounting in a factory having a uniform output

INSTRUCTIONS

(a) BOOKS TO BE USED. General: Purchase Book or Material Book, Sales Book, Cash Book, Bill Book, Journal, all as principal books; General Ledger, Purchase Ledger, Sales Ledger. Special: Material Ledger, Summary of Material Used, Summary of Goods Produced.

(b) The Purchase Book for this set will have a column for each kind of material used. The Sales Book will have a column for each department.

The Cash Book has the same special columns as in Set VI

The special books will be ruled as in the illustrations given in the text.

(c) Either keep one Expense Account. Make out the Expense Analysis Sheet weekly from the Cash Book; or keep accounts in the Ledger for the necessary divisions of Expense Account.

(d) Keep accounts in the General Ledger for "Chocolate Manufacturing," "Bonbons Manufacturing," "Taffy Manufacturing."

DIRECTORY

Abbott, R., Toronto.
Beck, J., Woodstock.
Boyd, W. R., Belleville.
California Fruit Co., The, San Francisco.
Curtis, H., Stratford.
Davidson & Co., J., Toronto.
Gage, A. W., Toronto.
Goldie Milling Co., The, Montreal.
Gordo—King & Co., Montreal.
Graham, R., Kingston.
Hayes, J., Guelph.
Morrison, G., Prescott
McConnell, H—Berlin.
McDougall, J., & Co., Owen Sound
Riddell, W. J., Toronto.
Rogers, E., Galt
Rowe, R., Toronto
Sanford Bros., Toronto.
Standard Refining Co., The, Montreal
Stewart, B., Ottawa.
Turner Co., The Orris, Peterboro.
Walker, E., Collingwood.
Wilkinson Box Co., The, Toronto.
All others, Toronto.

LEDGER LINES

Sales Ledger, 4 pages, 4 accounts to the page; Purchase Ledger, 1 page, 4 accounts to the page; Material Ledger, 2 pages, 4 accounts to the page; General Ledger. Arrange the accounts in the following order: Asset Accounts; Liability Accounts, including Capital Stock; Manufacturing and related accounts; Expense and related accounts; other accounts. Allow ¼ page for each and transfer when necessary.

MEMORANDA OF TRANSACTIONS

June 1. The directors of the Ontario Biscuit and Confectionery Company, Limited, have recommended that the manufacture of Biscuits be discontinued, and that the plant for the output of Confectionery be increased; also that the name of the Company be changed to the Ontario Confectionery Co., Limited. These recommendations have been approved by the shareholders, and application has been made for power to change the name, as recommended. This power has been granted.

The plant and stock of biscuits have been sold to Jas. Robertson, the foreman of that department, who has formed a company to continue the business. He takes over the plant at $3000, and the stock of Biscuits and Material at 90c. on the dollar of our inventory price, and pays for the same by cheque. The bank account of the Ontario Biscuit and Confectionery Co. is transferred in the same bank to the Ontario Confectionery Co., and the cheque received from Mr. Robertson is deposited. The confectionery plant remaining is valued at $1500.

The Williamson Iron Works have completed the installation of an addition to the Confectionery Plant, costing $2000, and they have been paid by cheque. The work is to be carried on in three departments, for which the following hands have been employed

Chocolate Dept.—Henry Barker, foreman, at $100 a month; C. Cameron, R. Lewis, J. Forbes, K. Hall, J. H. Howell, at $3 a day, and T. Mason and J. Walker at $5 a week

Bonbon Dept. R. Ellis, foreman, at $80 a month; J. Ball, R. Miller, L. Small, T. Jones, at $2.50 a day, and L. Black and S. Nixon at $4 a week

Taffy Dept.—D. J. Thompson, foreman, at $80 a month; J. Price at $6 a week; R. Knox, F. Sinclair, M. Hughes, wrappers, at $4 a week; J. Sloan, cutter, at $2.50 a week

The same office hands, storekeeper, shipper and salesmen are retained, and at the same salaries as for May.

Open the necessary Time books, and rule up and enter names on the Pay Roll

Close out all accounts connected with the Biscuit Department only, carrying any losses directly to Loss and Gain account.

Open the Material Ledger and post the inventory of material to the proper accounts, as follows: Sugar, 6948 lbs., $330; Nuts, 399 lbs., $60; Flavouring, 792 oz., $30; Glucose, 6000 lbs., $240; Chocolate, 546 lbs., $120

Open Trading accounts for Chocolates, Bonbons, Taffy, and transfer the inventory as follows: Chocolates, $750; Taffy, $450; Bonbons, $.

2. Arrangements have been made with the Milk Supply Co. to deliver milk and cream as required, the bill to be paid weekly. Price: milk, 25 cents a gal.; cream, $1 a gal.

Receive the following invoice from the Standard Refining Co., May 30, $\frac{2}{10}$ $\frac{n}{60}$: 15 bbls. G. Sugar, 280-22, 285-21, 283-24, 282-20, 286-23, 280-22, 282-24, 283-24, 282-24, 281-22, 280-23, 285-21, 283-24, 280-22, 286-21 @ $4\frac{3}{4}$c.; 5 bbls. Glucose, 280 lbs. ea., @ 3c

These orders have been filled: R. Abbott, 30 da., 5 drums M. Chocolates, 100 lbs., @ 15c., 12 bxs. Ass. Creams, 60 lbs., @ 18c.; 10 bxs. Caramels, 20 lbs., @ 14c

A. W. Gage, 30 da., 6 drums Wr. Taffy, 90 lbs., @ 9c., 10 tins Bu. Scotch, 70 lbs., @ 10c; 5 drums M. Candy, 100 lbs., @ 8c.

Pay L. Jordan & Co. by cheque for 4 tons Coke at $6.25.

Mr. Barker reports for the day as follows:

Used—Sugar, 70 lbs.; Glucose, 30 lbs.; Nuts, $12\frac{1}{2}$ lbs.; Flavouring, 6 oz.; Chocolate, 25 lbs.; Cream, 1 gal. *Produced*—Creams, 63 lbs.; Chocolates, 38 lbs.; Caramels, 38 lbs

Mr. Ellis reports: *Used* Sugar, 85 lbs.; Glucose, 15 lbs.; Nuts, 5 lbs.; Flavouring, 6 oz., Cream, 1 gal. *Produced* Bonbons, 105 lbs.

Mr. Thompson reports: *Used* Sugar, 105 lbs.; Glucose, 45 lbs.; Nuts, 25 lbs.; Flavouring, 10 oz., Butter, 3 lbs. *Produced*—Butter Scotch, 45 lbs; Taffy, 60 lbs.; Stick Candy, 25 lbs., Assorted Tablets, 45 lbs.

Prepare the necessary summary forms, and enter the above amounts

NOTE. In giving the daily reports hereafter, names will be omitted; amounts only will be given in the same order as above; any omissions will be indicated by a dash.

3. Receive the following invoices: Gordon King & Co., June 1, $\frac{3}{10}$, $\frac{n}{30}$, 2 gross Ass. Flavouring @ 90c a doz., 20 bxs. Chocolate, 24 lbs. ea., @ 22c

The Wilkinson Box Co., June 2, n/c, an invoice of boxes, $95.70

These orders have been filled: R. Rowe, 30 da., 40 bxs. Caramels, 80 lbs., @ 14c.; 20 bxs. As. Creams, 25 lbs., @ 18c.; 15 tins Bu. Scotch, 7 lbs. ea., @ 10c

W. J. Riddell, 30 da., 10 drums M. Chocolates, 20 lbs. ea., @ 15c.; 12 drums Wr. Taffy, 15 lbs. ea. @ 9c.; 25 bxs. Caramels, 50 lbs., @ 14c

Receive from H. McConnell, his cheque for the amount of his bill of May 30, less disc.

Mr. Barker reports: *Used* 87, 38, 15, 8, 51, 1¼. *Produced*—60, 50, 63

Mr. Ellis reports: *Used* 64, 11, 4, 4½, ¾. *Produced*—79.

Mr. Thompson reports: *Used* 115, 50, 28, 11, 3. *Produced*—45, 68, 27, 50

Travellers report expenses for the week: Churchill, $15.50; Summers, $16.30

5. Gave to Messrs. Churchill and Summers, each $18, on account of travelling expenses.

Paid by cheque for a bill of Stationery received to-day from T. Nesbitt & Co., $22.50

These orders have been filled: W. R. Boyd, $\frac{2}{10}$, $\frac{n}{30}$, 50 bxs. Ass. Creams, 75 lbs., @ 40c.; 40 bxs. Chocolates, 60 lbs., @ 35c.; 10 tins Bu. Scotch, 7 lbs. ea., @ 10c.; 20 drums Wr. Taffy, 15 lbs. ea., @ 9c

J. McDougall & Co., $\frac{2}{10}$, $\frac{n}{30}$, 60 bxs. Caramels, 80 lbs., @ 15c.; 75 bxs. Bonbons, 90 lbs., @ 30c.; 4 drums M. Candy, 20 lbs. ea., @ 8c.

Mr. Barker reports: *Used* 75, 37½, 13½, 6½, 28, 1. *Produced* 65, 40, 42.

Mr. Ellis reports: *Used* 90, 16, 6, 6½, 1. *Produced*—110.

Mr. Thompson reports: *Used* 110, 48, 25, 10½, 1. *Produced*—50, 55, 35, 43.

Time lost: Lewis, ½ da.; Small, ½ da.

6 Receive the following invoice: P. W. Hill & Co., Toronto, June 5, n/c, 5 cases Walnuts, 50 lbs. ea., @ 28c.; 8 cases Almonds, 22 lbs. ea., @ 33c.; 8 cases Filberts, 22 lbs. ea., @ 27c.; 1 tul Butter, 60 lbs., @ 23c.

Receive from E. Walker and J. McDougall & Co., cheques for bills of May 26, less disc.

The bank reports the drafts on J. Hayes and G. Morrison collected and credited, less exchange ⅛

The note sent to H. Curtis for signature has been returned, properly signed

These orders have been filled: R. Graham, 30 da., 20 bxs. Creams, 30 lbs., @ 40c., 25 bxs. Caramels 40 lbs., @ 35c.; 30 bxs. Bonbons, 48 lbs., @ 25c.; 6 drums M. Candy, 15 lbs. ea., @ 12½c

E. Walker, $\frac{2}{10}$, $\frac{n}{30}$, 25 bxs. Ass. Creams, 32 lbs., @ 40c.; 15 bxs. Chocolates, 22 lbs., @ 40c., 25 bxs. Bonbons, 42 lbs., @ 15c.; 13 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 6 drums Taffy, 15 lbs. ea., @ 12½c.

Mr. Barker reports: *Used*—80, 35, 10, 7, 30, 1. *Produced* 58, 60, 37.

Mr. Ellis reports: *Used*—95, 15, 10, 7, 1¼. *Produced* 120

Mr. Thompson reports: *Used* 125, 54, 30, 12½, 1. *Produced* 53, 60, 48, 50.

Time lost: Hall, ¼ da.; Miller, ½ da

7. Pay a Telephone bill in cash, $3.50.

These orders have been filled: G. Morrison, S. D. with M. S., 40 bxs. Caramels, 67 lbs., @ 30c.; 45 bxs. Creams, 70 lbs., @ 15c.; 7 tins Bu. Scotch, 7 lbs. ea., @ 18c.

H. Curtis, note with M. S., 40 bxs. Chocolates, 45 lbs., @ 35c.; 75 bxs. Bonbons, 110 lbs., @ 30c.; 7 drums Taffy, 15 lbs. ea., @ 15c.; 3 drums M. Candy, 15 lbs. ea., @ 12½c.

Pay the bill of the Wilkinson Box Co. of the 2nd.

Mr. Barker reports: *Used*—95, 40, 12, 7½, 35, 1½. *Produced*—70, 45, 67.

Mr. Ellis reports: *Used*—88, 15, 8, 6, 1 *Produced*—110.

Mr. Thompson reports: *Used*—120, 52, 29, 12, 3. *Produced* 48, 55, 40, 51.
Time lost: Forbes, ¼ da.; Small, ½ da.

8. This order has been filled. The Orris Turner Co., n/c, 100 bxs. Creams, 178 lbs., @ 37½c., 140 bxs. Chocolates, 113 lbs., @ 35c.; 70 bxs. Bonbons, 127 lbs., @ 25c., 15 tins Bu. Scotch, 6 lbs. ea., @ 15c.; 8 drums Taffy, 15 lbs. ea., @ 15c.
Pay P. W. Hill & Co. for bill of the 5th.
Draw on the Orris Turner Co. for the amount of the bill of May 23, @ 30 days from that date, and leave with the bank for collection.
Mr. Barker reports: *Used* 90, 40, 15, 8, 33, 1¼. *Produced* 63, 55, 60.
Mr. Ellis reports: *Used* 100, 18, 9, 8, 1¼. *Produced* 127.
Mr. Thompson reports: *Used* 130, 56, 30, 13, 3. *Produced* 60, 64, 46, 60.

9. This order has been filled: J. Hayes, draft with M.S., 90 bxs. Creams, 175 lbs., @ 27½c., 75 bxs. Bonbons, 115 lbs., @ 30c.; 5 drums S. Candy, 20 lbs. ea., @ 12½c., 24 bottles Ass. Tablets @ $1.10.
The bank presents the S.D. of the Standard Refining Co. for the amount of their bill of May 30, less disc. Pay it by cheque.
Receive from E. Walker, his cheque for the bill of May 30, less disc.
Pay freight on Gordon King & Co.'s invoice of the 1st, $4.45, and on the Standard Refining Co.'s invoice of May 30th, $14.60.
Distribute freight to the materials in proportion to their gross weight. Flavourings in boxes of half doz., weighing 3 lbs. per box.
Mr. Barker reports: *Used*—83, 41, 18, 8½, 34, 1¼. *Produced* 65, 58, 65.
Mr. Ellis reports: *Used* 83, 16, 6, 6½, 1. *Produced* 115.
Mr. Thompson reports: *Used* 138, 55, 33, 14, 4. *Produced* 52, 63, 58, 50.

10. Receive from the Wilkinson Box Co., an invoice of boxes, June 9, n/c, $105.20.
Remit to Gordon King & Co., a cheque for the amount of their invoice of the 1st, less disc.
These orders have been filled: R. Abbott, 30 da., 40 bxs. Creams, 70 lbs., @ 30c., 100 bxs. Bonbons, 126 lbs., @ 30c.; 13 bottles Ass. Tablets @ $1.25.
R. Rowe, 30 da., 30 bxs. Chocolates, 60 lbs., @ 40c.; 45 bxs. Creams, 78 lbs., @ 35c., 6 tins Bu. Scotch, 7 lbs. ea., @ 20c.; 4 drums Taffy, 15 lbs. ea., @ 20c.
Pay the bill of the Milk Supply Co. for cream used to the 9th.
Pay by cheque the acceptance favour the Goldie Milling Co. due on the 12th.
Mr. Summers hands in cash for R. Rowe's account and W. J. Ruddell's account to date, and reports travelling expenses for the week, $15.50.
Mr. Churchill hands in cash for A. W. Gage's account and R. Abbott's account to date, and reports travelling expenses for the week, $16.25.
Deposit all cheques and all cash on hand but $50. Usual exchange.
Mr. Barker reports: *Used*—105, 45, 22½, 9, 37½, 1½. *Produced* 70, 62, 78.
Mr. Ellis reports: *Used*—102, 18, 6, 7½, 1¼. *Produced* 126.
Mr. Thompson reports: *Used*—123, 52, 30, 11, 3. *Produced* 47, 60, 33, 65.

12. Give to Messrs. Churchill and Summers, each $15 on account of travelling expenses.
The bank reports R. Graham's acceptance due on the 10th, collected and credited, less 30c.
This order has been filled: B. Stewart, 2/10, 1/30, 110 bxs. Caramels, 144 lbs., @ 30c.; 90 bxs. Bonbons, 133 lbs., @ 25c.; 15 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 5 drums S. Candy, 20 lbs. ea., @ 12½c.; 24 bottles Ass. Tablets @ $1.15.
Mr. Barker reports: *Used*—100, 43, 21, 8½, 36, 1½. *Produced*—70, 60, 70.

Mr. Ellis reports: *Used* 106, 19, 7½, 8, 1¼. *Produced* 133.

Mr. Thompson reports: *Used* 140, 60, 35, 12, 4. *Produced* 55, 67, 38, 63.

13. Receive from P. W. Hill & Co. the following invoice, June 12, n e: 10 c s Almonds, 22 lbs. ea., @ 33c.; 13 c s Filberts, 22 lbs. ea., @ 27c.; 9 c s Walnuts, 50 lbs. ea., @ 28c.; 1 tub Butter, 58 lbs., @ 24c.

This order has been filled: J. Beck, 30 da., 120 bxs. Creams, 145 lbs., @ 35c.; 90 bxs. Chocolates, 132 lbs., @ 30c.; 112 bxs. Bonbons, 135 lbs., @ 27½c.; 8 drums Taffy, 15 lbs. ea., @ 15c.

Receive from the Orris Turner Co., their cheque for the amount of their bill of the 8th.

Mr. Barker reports: *Used* 110, 47, 24, 10, 40, 1½. *Produced* - 75, 72, 74.

Mr. Ellis reports: *Used* –113, 20, 9, 8½, 1½. *Produced* 139.

Mr. Thompson reports: *Used* 135, 58, 35, 12, 8. *Produced* 53, 62, 56, 58.

14. This order has been filled: H. McConnell, ½ ₁₀₀, ½ ₁₀₀, 90 bxs. Chocolates, 130 lbs., @ 35c.; 110 bxs. Bonbons, 160 lbs., @ 27½c.; 16 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 4 drums S. Candy, 20 lbs. ea., @ 12½c.

Pay the Wilkinson Box Co. for the bill of June 9th.

Receive from H. Curtis, a bank draft in payment of his note due to-day.

Mr. Barker reports: *Used* 98, 42, 20, 8½, 35, 1½. *Produced* 65, 67, 63.

Mr. Ellis reports: *Used* 128, 22, 10, 9, 1½. *Produced* 160.

Mr. Thompson reports: *Used* 145, 62, 38, 13, 5. *Produced*—60, 69, 54, 61.

15. The following invoice has been received: The Standard Refining Co., June 12, ½ ₁₀₀, ½ ₁₀₀, 18 bbls. G. Sugar, 280 21, 282 19, 285 20, 284 21, 283 22, 282-21, 279-20, 285 23, 282 24, 286 22, 281 22, 282-21, 283 20, 285 21, 282 23, 284-22, 280 20, 282-19 @ 4¾c.; 6 bbls. Glucose, 280 lbs. ea., @ 3c.

Pay for postage and stationery in cash, $15.20.

Pay the bill of "The Daily Standard" for advertising and printing, $23.75.

This order has been filled: W. R. Boyd, ½ ₁₀₀, ½ ₁₀₀, 100 bxs. Caramels, 137 lbs. @ 25c.; 90 bxs. Creams, 130 lbs. @ 40c.; 90 bxs. Bonbons, 150 lbs., @ 25c.; 9 drums Taffy, 15 lbs. ea., @ 18c.; 24 bottles Ass. Tablets @ $1.20.

Pay P. W. Hill & Co. for bill of the 12th. J. Beck paid his acceptance due to-day by cheque.

Receive from J. McDougall & Co., their cheque for the bill of the 5th, less 2 %.

Time lost: Small, ¼ da.; Sinclair, ½ da.

Mr. Barker reports: *Used* 103, 44, 21½, 9, 36½, 1½. *Produced* –68, 63, 74.

Mr. Ellis reports: *Used* 120, 21, 8, 9, 1½. *Produced* –150.

Mr. Thompson reports: *Used* 150, 64, 40, 13½, 5. *Produced* –58, 70, 62, 65.

Complete the summaries of material used and manufactured goods produced to date.

Complete the Pay Roll for the half month, and pay all wages to date.

Post up to date. Post totals. Close the Cash Book. Take a Trial Balance.

Make out the expense analysis sheet to date.

Prepare a statement of workshop expenses for the half-month; be careful to include in it any expenses accrued but not paid, and allow for one half-month's depreciation on the monthly basis adopted at the end of May.

Prepare in the same way a statement of general expenses.

Find what per cent. these expenses are on the workshop wages. Since the foremen are also workmen, include their wages with the workshop wages – not with the workshop expenses.

Prepare similar statements from the data of last month and compare results.

Now use these percentages of this month, and find the cost per pound of the candy in each department.

Prepare a statement of these costs, to be presented to the president of the Company.

16. This order has been filled: E. Rogers, [illegible] 40 bxs. Chocolates, 65 lbs., @ 35c., 40 bxs. Bonbons, 80 lbs., @ 25c.; 8 tins Bu. Scotch, 7 lbs. ea., @ 18c., 13 bottles Ass. Tablets @ $1.15.

The draft of the Standard Refining Co., at 10 da. from June 12, for the amount of the invoice of that date, less disc., is presented. Accept it.

Receive from E. Walker, his cheque for the bill of June 6th, less disc.

Mr. Barker reports: *Used* 107, 46, 23, 9, 38, 1½. *Produced* 70, 65, 80.

Mr. Ellis reports: *Used* 130, 24, 9, 10, 1½. *Produced* 163.

Mr. Thompson reports: *Used* 150, 65, 40, 13½, 5. *Produced* 60, 72, 55, 68.

Time lost: Mason, ¼ da.; Black, ½ da.

17. Receive the following invoice: Gordon King & Co., June 16, [illegible] 2 gross Ass. Flavouring, 90c. a doz., 22 bxs. Chocolate, 24 lbs. ea., @ 22c.

These orders have been filled: A. W. Gage, 30 da., 30 bxs. Creams, 75 lbs., @ 50c., 40 bxs. Caramels, 68 lbs., @ 35c.; 8 tins Bu. Scotch, 7 lbs. ea., @ 20c., 12 bottles Ass. Tablets @ $1.25.

W. J. Riddell, 30 da., 50 bxs. Chocolates, 80 lbs., @ 40c., 112 bxs. Bonbons, 155 lbs., @ 30c., 4 drums Taffy, 15 lbs. ea., @ 20c.; 2 drums S. Candy, 20 lbs. ea., [illegible].

Draw on W. R. Boyd for the bill of the 5th at 30 da., and leave with the bank for collection.

Mr. Churchill hands in cash for R. Abbott's account and R. Graham's account to date, and reports travelling expenses for the week, $17.25.

Mr. Summers hands in cash for R. Rowe's account to date, and reports travelling expenses $19.75.

Pay the bill of the Milk Supply Co. for cream to the 16th.

Deposit all cheques and all cash on hand but $50. Usual exchange.

Pay L. Jordan & Co. by cheque for 10 tons coal at $6.90.

Mr. Barker reports: *Used* 112, 48, 23, 10, 40, 1½. *Produced* 75, 80, 68.

Mr. Ellis reports: *Used* 125, 22, 10, 9, 1½. *Produced* 157.

Mr. Thompson reports: *Used* 140, 60, 38, 13½, 5. *Produced* 60, 67, 48, 63.

19. Receive the following invoice: The Wilkinson Box Co., June 17, n/e, $118.15.

This order has been filled: H. Curtis, note at 10 da. with M.S., 125 bxs. Chocolates, 157 lbs., @ 30c.; 130 bxs. Bonbons, 170 lbs., @ 27c.; 18 tins Bu. Scotch, 7 lbs. ea., @ 18c., 10 drum Taffy, 15 lbs. ea., @ 17½c.

Pay by cheque for repairs in the Chocolate Dept., $5.75.

Mr. Barker reports: *Used* 129, 51, 25, 11, 43, 1¼. *Produced* 80, 87, 72.

Mr. Ellis reports: *Used* 138, 24, 13, 10, 1¼. *Produced* 174.

Mr. Thompson reports: *Used* 150, 65, 40, 14, 5. *Produced* 63, 70, 55, 67.

20. This order has been filled: R. Graham, 30 da., 95 bxs. Creams, 145 lbs., @ 40c., 105 bxs. Caramels, 150 lbs., @ 33c.; 122 bxs. Bonbons, 163 lbs., @ 25c.; 5 drums S. Candy, 20 lbs. ea., @ 12c., 28 bottles Ass. Tablets @ $1.15.

Time lost: Howell, ¼ da.; Forbes, ½ da.

R. Miller (Bonbons Dept.) and F. Sinclair (Taffy Dept.) worked to-day in the Chocolate Dept.

NOTE. Enter these names in the Pay Roll for the Chocolate Dept. in the regular way.

Mr. Barker reports: *Used* 115, 49, 24, 10, 41, 1½. *Produced* 78, 70.

Mr. Ellis reports: *Used* 132, 24, 11, 9, 1½. *Produced* 167.

Mr. Thompson reports: *Used*—155, 67, 43, 14, 5. *Produced* 64, 80, 61, 70.

21. This order has been filled: J. McDougall & Co., $\frac{2}{10}$, $\frac{n}{30}$, 130 bxs. Caramels, 172 lbs., @ 22½c., 18 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 10 drums Taffy, 15 lbs. ea., @ 18c.; 4 drums S. Candy, 20 lbs. ea., @ 12c.

Receive from B. Stewart, his cheque for the bill of the 12th, less 2 .

Pay a telephone bill in cash, $3.75.

Mr. Barker reports: *Used*—123, 53, 27, 11, 44, 1¾. *Produced*—70, 82, 94.

Mr. Ellis reports: *Used*—140, 25, 14, 11, 1¾. *Produced*—178.

Mr. Thompson reports: *Used*—155, 67, 42, 14, 5. *Produced*—55, 75, 54, 80.

22. Receive the following invoice: P. W. Hill & Co., June 21, n e, 6 c s Walnuts, 50 lbs. ea., @ 28c.; 9 c s Filberts, 22 lbs. ea., @ 27c.; 8 c s Almonds, 22 lbs. ea., @ 33c.; 1 tub Butter, 62 lbs., @ 24c.

This order has been filled: B. Stewart, $\frac{n}{10}$, $\frac{n}{30}$, 135 bxs. Chocolates, 167 lbs., @ 30c.; 125 bxs. Creams, 140 lbs., @ 45c.; 150 bxs. Bonbons, 210 lbs., @ 25c.; 30 bottles Ass. Tablets @ $1.15.

Time lost: Lewis, ½ da.; Small, ¼ da.

Mr. Barker reports: *Used*—120, 51, 25, 10, 43, 1¾. *Produced*—70, 85, 84.

Mr. Ellis reports: *Used*—148, 26, 15, 11, 1¾. *Produced*—188.

Mr. Thompson reports: *Used*—160, 68, 45, 15, 5. *Produced*—60, 82, 51, 80.

23. This order has been filled: F. Walker, $\frac{2}{10}$, $\frac{n}{30}$, 150 bxs. Bonbons, 225 lbs., @ 28c. 8 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 5 drums Taffy, 15 lbs. ea., @ 20c.

Pay Wilkinson Box Co. for the bill of the 17th.

Receive from H. McConnell, cheque for the bill of the 14th, less disc.; and from E. Rogers, cheque for bill of May 24.

Pay in cash freight on Gordon King & Co.'s invoice of the 16th, $3.50, and on the Standard Refining Co.'s invoice of the 15th, $17.50.

Mr. Barker reports: *Used*—125, 53, 30, 11, 45, 1¾. *Produced*—75, 73, 105.

Mr. Ellis reports: *Used*—145, 26, 15, 11, 1¾. *Produced*—185.

Mr. Thompson reports: *Used*—163, 70, 45, 15, 5. *Produced*—65, 78, 54, 77.

24. These orders have been filled: R. Abbott, 30 da., 60 bxs. Creams, 75 lbs., @ 50c.; 45 bxs. Chocolates, 73 lbs., @ 40c.; 65 bxs. Caramels, 105 lbs., @ 35c.

R. Rowe, 30 da., 55 bxs. Chocolates, 78 lbs., @ 40c.; 130 bxs. Bonbons, 179 lbs., @ 30c.; 12 bottles Ass. Tablets @ $1.25.

Remit to Gordon King & Co. a cheque for the amount of the invoice of the 16th, less discount.

Pay by cheque our acceptance favour the Standard Refining Co. due to-day, also P. W. Hill & Co.'s invoice of the 21st.

Pay in cash for repairs in the Bonbons Dept., $4.25.

Mr. Churchill reports travelling expenses, $15.50.

Mr. Summers hands in cash for J. Beck's account to date and reports travelling expenses, $14.25.

Pay the Milk Supply Co.'s bill to the 24th.

Deposit all cheques and all cash on hand but $50.

Mr. Barker reports: *Used*—120, 51, 25, 10, 43, 1¾. *Produced*—70, 78, 92.

Mr. Ellis reports: *Used*—140, 25, 14, 10, 1¾. *Produced*—179.

Mr. Thompson reports: *Used*—155, 66, 40, 14, 5. *Produced*—57, 77, 52, 75.

26. These orders have been filled: E. Rogers, $\frac{2}{10}$, $\frac{n}{30}$, 13 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 10 drums Taffy, 15 lbs. ea., @ 14c.; 6 drums S. Candy, 20 lbs. ea., @ 12½c.

J. Hayes, S D with M S, 140 bxs. Bonbons, 220 lbs., @ 25c.; 45 bxs. Creams, 75 lbs., @ 45c.; 65 bxs. Caramels, 112 lbs., @ 30c.

Receive from E. Rogers, his cheque for the bill of the 16th, less disc.

Time lost: Knox, ½ da.; Lewis, ½ da., Jones, ½ da. Black and Mason work in the Taffy Dept. during the afternoon.

Mr. Barker reports: *Used*—133, 57, 37½, 12, 47½, 1¼. *Produced* 75, 88, 112

Mr. Ellis reports: *Used* 137, 24, 12½, 11, 1¼. *Produced* 174.

Mr. Thompson reports: *Used* 160, 69, 45, 15, 6. *Produced* 63, 82, 53, 76

27. Receive from the Wilkinson Box Co., an invoice of boxes, June 26, n/c, $125.30

This order has been filled: G. Morrison, S D with M S, 165 bxs. Bonbons, 240 lbs., @ 27½c.; 18 tins Bu. Scotch, 7 lbs. ea., @ 15c.; 12 drums Taffy, 15 lbs. ea., @ 17½c.; 4 drums S Candy, 20 lbs. ea., @ 12½c.; 25 bottles Ass. Tablets @ $1.15.

The bank reports the draft on the Orris Turner Co., due yesterday, collected and credited, less exchange ⅛.

Draw on W. R. Boyd, at 30 da. from June 15, for the bill of that date, and leave at the bank for collection.

Mr. Barker reports: *Used*—125, 53, 30, 11, 45, 1¼. *Produced* 73, 85, 95

Mr. Ellis reports: *Used* 145, 26, 15, 12, 1¾. *Produced* 185.

Mr. Thompson reports: *Used*—158, 68, 43, 14, 5½. *Produced*—60, 85, 47, 75

28. This order has been filled: H. McConnell, $\frac{9}{10}$ $\frac{5}{20}$, 115 bxs. Creams, 155 lbs., @ 45c.; 130 bxs Chocolates, 177 lbs., @ 30c.; 120 bxs. Caramels, 195 lbs., @ 30c.

Pay in cash the bill of the Packard Press for printing and stationery, $23.50.

Time lost: Hall, ¼ da.; Price, ½ da.

Mr. Barker reports: *Used* 138, 59, 40, 13, 49, 2. *Produced*—80, 90, 115

Mr. Ellis reports: *Used* 155, 28, 16, 12, 1¼. *Produced* 198.

Mr. Thompson reports: *Used* 165, 70, 50, 15, 6. *Produced* 63, 88, 58, 87.

29. This invoice has been received: The Standard Refining Co., June 26, $\frac{3}{10}$ $\frac{1}{20}$, 10 bbls. Y. Sugar, 282 19, 283 22, 280 24, 282 21, 283-19, 284-20, 282 21, 283 22, 280-23, 281 24 @ 4¼c.; 4 bbls Glucose, 280 lbs. ea. net, @ 3c.

This order has been filled: The Orris Turner Co., n/c, 130 bxs. Creams, 160 lbs., @ 45c.; 160 bxs Caramels, 190 lbs., @ 25c.

Pay the Wilkinson Box Co. for the bill of the 26th.

Mr. Barker reports: *Used* 135, 58, 35, 12½, 48, 1¼. *Produced* 78, 87, 111

Mr. Ellis reports: *Used* 150, 26, 16, 12, 1¾. *Produced* 193.

Mr. Thompson reports: *Used* 162, 69, 48, 14½, 5½. *Produced* 61, 90, 47, 82.

30. Receive the following invoice: Gordon King & Co., June 27, $\frac{3}{10}$ $\frac{5}{20}$, 1 gross Ass. Flavourings, @ 90c. a doz.; 15 bxs. Chocolate, 24 lbs. ea., @ 22c.

This order has been filled: J. Beck, 30 da., 95 bxs. Chocolate, 130 lbs., @ 30c.; 80 bxs Bonbons, 125 lbs., @ 25c.; 30 bxs. Ass. Tablets @ $1.10; 8 tins Bu. Scotch, 7 lbs. ea., @ 18c.

Accept the draft of the Standard Refining Co., at 10 da. from June 26, for the amount of the invoice of that date, less discount.

Pay by cheque, a Light bill for $7.25.

Mr. Churchill hands in cash for R. Graham's account and A. W. Gage's account to date, and reports travelling expenses for the week, $16.60.

Mr. Summers hands in cash for W. J. Riddell's account to date, and reports travelling expenses for the week, $15.80.

Receive from J. McDougall & Co., their cheque for the bill of June 21, less 2

Pay in cash, freight on Gordon King & Co.'s invoice of the 27th, $2.75, and the Standard Refining Co.'s invoice of the 26th, $8.60.

Pay the bill of the Milk Supply Co. for cream for the week, including to-day.

Deposit all cheques and all cash on hand but $50. Close the Cash Book.

Mr. Barker reports: *Used* 140, 60, 43, 13½, 50, 2. *Produced*—83, 90, 120.

Mr. Ellis reports: *Used* –160, 28, 18, 13, 1¾. *Produced*—206.

Mr. Thompson reports: *Used* 170, 73, 53, 15, 6. *Produced*– –64, 92, 58, 84.

Complete the summaries of material used and manufactured goods produced. To find the value of the material, use the average purchase price for the half month, including freight.

Post from the summary of material, as required, and transfer the material used to the respective Manufacturing accounts.

Complete the Pay Roll for the half-month, and pay the wages.

Post up to date. Post totals. Take a trial balance.

Prepare the expense analysis sheet for the half month.

Prepare a statement, showing costs per pound for the last half of the month, and compare these with the costs for the first half.

The foreman of the Chocolate Department reports the following tests made in his department:

1. *Material used* Sugar, 25 lbs.; Glucose, 10 lbs.; Chocolate, 10 lbs.; Cream, 1¼ qts.; Flavouring, 5 oz.; Nuts, 10 lbs.; Boxes, 52 at 5 cents each.

Labour Foreman, ½ day at $4; 2 dippers, each ¾ day at $3; 1 packer, 1 day at $1.

Amount produced, 52 lbs. Chocolate, Grade I.

Add the necessary percentages for factory expenses and general expenses and find the cost per pound.

2. *Material used*—Sugar, 25 lbs.; Glucose, 10 lbs.; Chocolate, 6 lbs.; Cream, 1¼ qts.; Flavouring, 5 oz.; Nuts, 6 lbs.; Boxes, 10 at 6 cents each.

Labour Foreman, ½ day at $4; 1 dipper, 1 day at $3; 1 packer, ½ day at $1.

Amount produced, 44 lbs. Chocolate, Grade II.

Add the necessary percentages and find the price per pound.

The foreman of the Bonbon Department reports the following test made in his department:

Material used Sugar, 85 lbs.; Glucose, 15 lbs.; Nuts, 5 lbs.; Flavouring, 6 oz.; Cream, 1 gal.; Boxes, 75 at 5 cents.

Labour—Foreman and all the assistants in his department, 1 day.

Amount produced, 105 lbs. Bonbons, Grade I.

Add the necessary percentages and find the price per pound.

Make out the financial statements. Close the books.

Appropriation of profits: 1. A dividend of 1 _ is declared. 2. Balance is brought down to the credit of Profit and Loss account.

INVENTORIES: Neglect waste and take the balance in the Material accounts as the Inventory of Materials.

Manufactured Goods	*Chocolates*	*1263.43*
"	*Bonbons*	*375.85*
"	*Taffy*	*730.48*

Plant—Allow a depreciation of 1 .

Insurance paid in advance 10 mos.

Boxes on hand, $135.50.

Allow 2% on Accounts Receivable for possible bad debts.

For factories in the second class, where the object is to find the cost per article or contract, the work of collecting the data is more complex, and the method will only be outlined here

The special Ledger used is called the Costs Ledger, and the accounts it contains are not accounts of materials, but of articles or contracts. Each account is numbered, and the data for it is collected from the various books of record by means of its number.

The material is issued by the storekeeper upon orders from the foremen, such orders not only showing kind and quantity of material, but also specifying by number the article or contract for which it is intended.

Either from these orders or from a Stores Journal, entries are made to the Costs Ledger accounts, and the total for the month is transferred from the Material account in the General Ledger to the Manufacturing account in the General Ledger.

The cost of wages for each article or contract is ascertained by means of Wages cards. Each workman has a card upon which is recorded not only the time he works, but also, usually on the reverse side of the card, the job and also the nature of the work upon which the time was spent. From these cards the time and wages are made out, both for the pay roll and for the various contracts, etc., under way. The wages are entered from the pay roll, through the Cash Book, to the Wages account in the General Ledger. Summaries are made from the Wages Cards, to be posted to the various accounts in the Costs Ledger. The total of these summaries must equal the amount of wages posted from the cash book, and an entry should be made transferring the amount from the Wages account to the Manufacturing account in the General Ledger.

To the material and labour for each contract must be added a percentage for Factory expenses and also for General expense, and these are calculated on the basis of wages, as was done in Set VII. Here, however, the amounts are posted to the debit of the Costs Ledger account, and an entry should be made through the Journal, transferring the [illegible] in the Workshop Expense and General Expense accounts in the General Ledger to the Manufacturing account in the General Ledger.

EXERCISES ON FINANCIAL STATEMENTS FOR A MANUFACTURING BUSINESS

1. The following Trial Balance was taken Dec. 31, 19

Cash on hand and in the Bank, $425; Bills Receivable, $360; Accounts Receivable, $5840; Machinery, $15500; Real Estate and Buildings, $6750; Office Furniture, $1260; Stock on hand, Jan. 1: Material, $11500; Manufactured Goods, $7650; Accounts Payable, $1560; Bills Payable, $2790; Capital Stock, $25000; Purchases: Material, $27900; Manufactured Goods, $3460; Sales, $83900; Discounts off Purchases, $475; Discounts to Customers, $860; Freight inwards, $1750; Royalties, $650; Wages, $21200; Heat, Light and Power, $1290; Rent of Office, $1400; Commissions, $1370; Travelling Expenses, $890; Freight outwards, $225; Insurance, $520; Interest and Bank Charges, $175; Horse Keep, $410; General Expense, $1160; Advertising, $420; Bad Debts written off, $760

Inventory. On hand Dec. 31: Material, $12200; Manufactured Goods, $7300. Provide 5% on Book Debts for Bad Debts. Write off 5% on Machinery and Office Furniture. Unexpired Insurance, $210; Wages due, $375.

A dividend of 6% on Capital Stock is declared.

Carry $6000 to Reserve account, balance to the credit of Profit and Loss account

(a) Make out Manufacturing Account, Trading Account, Profit and Loss Account, Appropriation Account, Balance Sheet. Enter percentages throughout.

(b) Calculate the percentage of Workshop Expenses on Wages

(c) Calculate the percentage of General Expenses on Wages.

2. The following data is taken from the books of the Ontario Foundry, Dec. 31, 19— :

Cash on hand, $500 ; Accounts Receivable, $73850 ; Patents cost $5000 ; Tools cost $12500 Office Furniture, $2000 ; Patterns cost, $16500 ; Premises, $25000 ; Plant and machinery, $44000 . Freight inwards, $4000 ; Stock on hand, Jan. 1, $45000 ; Purchases, $70000 ; Wages, $59000 ; Sales, $200000 ; Royalties cost $1000 ; Interest cost $5600 ; Directors' Fees, $500 ; Office Expenses, $2250 ; Office Salaries, $7000 ; Taxes on Plant, $1300 ; Advertising, $1250 ; Heat, Light and Power, $2250 Repairs to Plant, $4000 ; Setting up Machinery, $8000 ; Reserve for Bad Debts, $1000 ; Bank Overdraft, $4500 ; Accounts Payable, $35000 ; Capital Stock, $150000.

Allow for depreciation as follows : Premises, 3 % ; Plant and machinery, 10% ; Patterns, 10 % . Patents, 10 % ; Office Furniture, 5 %. Reserve 6 % of accounts receivable for bad debts. Stock on hand, Dec. 31, is valued at $47500 ; Tools at $11500.

It is proposed to declare a dividend of 5%, and carry the balance to Profit and Loss account.

(*a*) Make out a Manufacturing Account, Trading Account, Profit and Loss Account, Appropriation Account, and Balance Sheet. Enter percentages throughout.

(*b*) Calculate the percentage of Workshop Expense on Wages.

(*c*) Calculate the percentage of General Expenses on Wages.

(*d*) Job No. 175 is an order for a Vertical Engine, and the cost account shows : Material used, Frames, Chest, Corner, Base, &c., Cast Iron, $23.50 ; Lubricators, &c., Brass, $6.02 ; Bearings, Brass, $1.62 ; Crank Shaft, Wrought Iron, $1.56 ; Steel Rod, 68 cents ; Nuts, Caps, Screws, &c., Steel, 39 cents ; Babbit, $4.75.

Labour : Patterns, $15.25 ; Drawings, $4.32 ; Lathe, $49.10 ; Forging, $10.12 ; Fitter, $19.60 ; Helper, $6.25.

Add the necessary percentages for workshop and general expenses, and find :

i. Prime Cost.

ii. Complete Cost, including selling expenses.

iii. Selling Price, reckoning 12½ % profit on Sales.

SHIPPING AND COMMISSION BUSINESS

It frequently happens that goods are sold by one person for the account of another. The person selling the goods is called the agent, or shipper, or consignee. The person shipping the goods is called the principal, or shipper, or consignor. The goods are called by the shipper a shipment, by the agent a consignment. As the names indicate, the goods belong to the shipper till sold by his agent, when the agent becomes responsible for the proceeds. The agent is paid for his services at a certain rate per cent. on the sales; this is called his commission.

When the goods are shipped, an invoice is sent to the agent; but since the goods remain the property of the principal, the form of the invoice is different from that ordinarily used.

FORM OF INVOICE OF SHIPMENT

Invoice of Goods shipped June 1, 19 , per G.T.R., and consigned to *A. Smith*, Toronto, to be sold on account and risk of the consignor

15, 24 crates Strawberries		07	28
20/10 baskets Cherries		22	44
Freight paid			55

H. ANDERSON,
Consignor.

St. Catharines,
June 1, 19 .

When the goods have been sold, the agent reports sales showing charges paid on account of the shipment, and including his own charge or commission for selling. The balance, after these charges have been deducted, is called the Net Proceeds, which may be remitted with the account of the sales, or may be credited to the shipper. What is done with the proceeds should be made known to the shipper when the sales are reported, and for this purpose a form letter is frequently attached to the Account Sales.

FORM OF ACCOUNT SALES

Below please find Account of Sales of Fruit received June 2, 19 , *via* G.T.R., and sold for account and risk of *H. Anderson*

		SALES				
Ju.	*2*	*15/24 crates Strawberries*	*08*	*21*	*60*	
"	*3*	*20/10 baskets Cherries*	*05*	*20*		*41* *60*
		CHARGES.				
		Cartage			*2*	
		Commission (5%)			*1* *09*	*1* *91*
				Net Proceeds		*39* *69*

Cheque enclosed for net proceeds, as above.

A. SMITH,
Consignee.

Toronto,
June 4, 19—.

NOTE.—Account Sales may be rendered at any time, whether the whole consignment has been sold or not. In a fruit commission business, report should be made every evening, and settlement may be made weekly, or at such regular intervals as may be agreed upon.

BOOKS USED BY A COMMISSION AGENT

When goods are received by a commission agent they are entered in a Receiving Book. The consignments are numbered consecutively, and charges are entered which are later posted to the debit of the consignment account. These charges are usually express, freight or cartage, all of which may be classed together as freight. At the end of the month the total is posted to the credit of freight account When the freight bills are paid they are entered through the cash book and posted either by items or in total at the end of the month to the debit of freight, thus balancing out the freight entered from the Receiving book.

FORM OF RECEIVING BOOK

TORONTO, JUNE 1, 19

Consignment No.	L.F.	Name and Particulars	Charges
		H. ANDERSON, St. Catharines **21**	
		15 24 crates Strawberries	
		20, 10 baskets Cherries	25
	17	*Cartage*	
		B. HENDERSON, Welland **37**	
		20 24 crates Raspberries	
		25, 24 " Strawberries	
		30 10 baskets Cherries	55
		G.T.R. Freight	50 25
	17	*Cartage*	
		Freight	50

THE SALES

The record of sales must be kept in such a way as to show not only who is to be charged in the case of credit sales, but also, in every case, what consignment is to be credited. For this purpose, either the name of the shipper, or a number assigned to him at the beginning of the season, is stamped or otherwise marked by the shipper on every "piece" of every shipment. The sales are credited to the proper account by means of this number or mark.

Cash sales may be entered in a Cash Sales book, the total of which is transferred to the general cash book at the close of the day, or all sales may be entered in the same book, special columns being provided for credit sales.

Instead of a book the ordinary counter checks may be used, and these should be arranged into cash and credit parcels, and recapitulated daily.

In a fruit business it is desirable that sales should be reported daily, and if the consignments for the day have not been sold out, the balance may be taken to the agent's account at a price determined by the market for the day, and the whole shipment reported.

CHARGE SALES BOOK

TORONTO, JULY .., 19..

Consignor's No.	Ledger Fol.		Total	Distribution: Commission Sales	Distribution: Miscellaneous Sales
		SIDNEY SMITH, *44 Depot St*			
21		10/24 crates Strawberries			
32		15/24 " Raspberries			
47		10/10 baskets Cherries			
		HENRY ARCHER, *25 Macpherson*			
21		10/10 baskets Cherries			
		5/24 crates Raspberries			
		JOHN MITCHELL, *44 Walker*			
32		5/24 crates Raspberries			
		10/10 baskets Cherries			
21		1/24 crates Strawberries			
		Mdse.			

THE CONSIGNOR'S ACCOUNT

The Consignor's account may be kept as a personal account under the title, ... Consignment Account, in the General Ledger, or a Consignment Ledger may be kept.

If the Consignment Ledger is kept, a controlling account should be kept in the general ledger, called Consignment Ledger Account, just as Accounts Receivable account was kept for the Sales Ledger accounts.

Reports should be made to the consignor at regular intervals, or after the sale of each consignment. In any case, the net proceeds should either be remitted, or credited to the consignor in his personal account.

Form of Consignment Account

H. ANDERSON'S CONSIGNMENT *Cr.*

Ju.	2	*Cartage*			*Ju.*				
"	4	*Commission, 7*			"		*10/10 Cherries*		
"	7	*Net Proceeds*			"		*15/24 Strawberries*		
					"		*10/10 Cherries*		
Ju.	7	*Freight*			*Ju.*	7	*20/24 Raspberries*		
"	7	*Cartage*					*10/10 Cherries*		
"	8	*Commission*			"	8	*15/24 Strawberries*		
"	8	*Net Proceeds*							

BOOKS REQUIRED FOR THE SHIPPER

Shipping Book. Corresponding to the Receiving book of the agent is the Shipping book of the principal. The form of the entry is the same, the posting is different. The total of the entry is posted to the debit of a shipment account, and the total of the shipments for the month is posted to the credit side of Mdse

The charges paid are usually entered in the Shipping book as a memorandum, but they are posted to the shipment account from the Cash book

No other special book is necessary, unless the number of shipments is large and a Shipment Ledger is kept.

SHIPMENT ACCOUNT

The Shipment account is named by the person to whom the goods are shipped; thus, "Ship't to Henry Brown, No. 1"

The account is charged with the cost of all goods and all charges paid on account of it. When the account Sales is received, the Shipment account is credited with the net proceeds. It is, therefore, like Merchandise account, a Loss and Gain account, and, like Merchandise account, it will be closed by entering on the credit side, as inventory, the part of the shipment not reported by the agent, and it will then be closed to Loss and Gain

SHIPMENT ACCOUNT

SHIPMENT TO HENRY BROWN, No. 1

19					*19*			
Sept.	*24*	*5000 bu. wheat* @ 85		*3400*	*Sept.*	*30*	*Cash*	*1850*
		Elevator chg's		*40*	*****	*30*	*Not reported*	
		Cartage		*30*			*2000 bu*	*1735*
*****	*30*	*Gain*		*115*				
				3585				*3585*
Oct	*1*	*Not reported*			*Oct*	*5*	*Cash*	*1900*
		2000 bu		*1735*				
*****	*10*	*Gain*		*165*				
				1900				*1900*

* Red Ink.

SET VIII

SHIPPING AND COMMISSION BUSINESS

INSTRUCTIONS

(*a*) Books to be Used.—Shipping Book, Receiving Book, Sales Book, Journal, Cash Book, Ledger.

(*b*) The ruling of the books may be as in the illustrations given in the text, or as the teacher may direct. Separate books may be kept for Cash Sales and Credit Sales. The Ledger may be in one book or it may be subdivided into General, Purchase, Sales, Shipment, Consignment. The special columns in the Cash Book must be made to correspond with the divisions of the Ledger.

(*c*) Commission at the rate of 15 per cent., unless otherwise directed.

(*d*) The number beside the name in the directory is the number assigned to that shipper, and is stamped on all his shipments.

DIRECTORY

Briggs Safe Co., Galt.
Brown & Co., W. G., Oakville.
City Market Co., Montreal.
Glover, C. E., **42** *St. Catharines.*
Green, J. W., Oshawa.
Harding & Co., F. W., Toronto.
Harris & Co., Wm., Toronto.
Hunt & Co., D., **25** *Buffalo.*
Keene & Co., John, **9** *Montreal.*
Morgan & Co., R., Montreal.
Palmer, T., Montreal
Simpson, T. R., **57** *Smithville.*
Smith & Co., Chas., **34** *Montreal*
Stevenson & Bro., Jas., Toronto.
Thompson, H. L., **17** *Niagara Falls*
Warner, S., Peterboro.
Winters & Co., John, Toronto
Woodard & Co., T., Kingston
All others, Toronto

MEMORANDA OF TRANSACTIONS

Toronto, Sept. 1, 19—. J. D. Williams commences a Fruit and Produce Commission Business at 125 Colborne St., where he has leased an office and warerooms at $600 per year. He invests cash, $5000, and engages student as bookkeeper at $15 a week; M. B. Smith and F. Andrews as salesmen at $10 a week each.

Pay rent for one month in cash.

2. Bought on account from John Winters & Co., office stationery, $27.43. Deposit in the Merchants Bank, $4500.

4. Bought for cheque, 1 desk, $37.50, and other office furniture, $22.35.

Bought on account from the Briggs Safe Co., a safe for $125.

Received from C. E. Glover, for sale on his account, 90 10 baskets Peaches, 75 6 baskets Grapes.

Paid transportation charges in cash, $3.25.

5. Received from John Keene & Co., to be sold on their account, 25 crates Onions. Freight not paid, $6.75.

Sold to F. W. Harding & Co. from Glover's consignment of the 4th, 80 baskets Peaches at 75 cents, 60 baskets Grapes at 25 cents. Took to our account the remainder of Glover's consignment at the above prices, and reported the sale; proceeds credited.

Paid petty expenses in cash, $3.19.

6. Bought from T. Palmer, Montreal, 25 bxs., 1 doz. cans each, Cove Oysters, at 8c a can ; 50 bxs., 1 doz. cans each, Little Neck Clams, 8c. a can. Terms 30 da.

8. Received from H. L. Thompson, to be sold on his account, 200 crates Tomatoes, 100 baskets Peaches ; 200 baskets Plums. Freight not paid, $16.

Received from C. E. Glover, to be sold on his account, 100 10 baskets Grapes ; 90/8 baskets Peaches. Carriage $5.75, not paid.

9. Bought from J. W. Green on account, 150 bbls. Apples at $1.50 and shipped them direct to R. Morgan & Co., to be sold on our account. Freight charges paid by cheque, $17.50

Sold to Jas. Stevenson & Bro. the whole of C. E. Glover's consignment of the 8th, Grapes at 60 cents, Peaches at 65 cents, and reported the sale ; proceeds credited.

12. Received from D. Hunt & Co., to be sold on their account, 10 bbls., 250 Melons ; 50 crates Cucumbers ; 200 crates Tomatoes ; 170 bbls. Apples ; 12 bbls. Onions ; 250 bags Potatoes. Freight and drayage unpaid, $37.60. Duty paid in cash, $70

Remitted to C. L. Glover a cheque for the amount due him.

13. Received from T. R. Simpson, to be sold on his account, 60 10 baskets Plums ; 100 10 baskets Tomatoes. Freight unpaid, $3.10.

Sold to James Stevenson & Bro., 15 crates Bermuda Onions @ $2.40 ; 25 bxs. Little Neck Clams @ 14c. a can ; 45 baskets Peaches @ 90c. ; 60/10 baskets Plums @ 60c. (**57**).

Sold to Wm. Harris & Co., 25 bxs. Cove Oysters @ 17c. ; 25 crates Cucumbers @ $4.95 ; 10 crates Bermuda Onions @ $2.40 ; 100 baskets Tomatoes @ 40c. (**57**).

Cash Sales : 10 baskets Plums @ $2.25 ; 10 baskets Peaches @ 75c. ; 15 baskets Grapes @ 25c.

14. Received from Chas. Smith & Co., to be sold on their account, 200 bags Sweet Potatoes ; 300 boxes Oranges. Freight and drayage, $19.84.

Reported T. R. Simpson's consignment of the 13th ; proceeds credited.

15. Paid John Winters & Co's. account by cheque.

Paid petty expenses in cash, $4.98 ; wages, $29.30.

16. Shipped to S. Warner & Co., to be sold on our account, 200 bags Sweet Potatoes (Smith's consgt.) which we have taken to our account, at 90c. Paid drayage in cash, $7.40.

Received from T. R. Simpson, to be sold on his account, 75/10 baskets Plums ; 150 10 baskets Tomatoes. Freight unpaid, $5.60.

18. Shipped to T. Woodard & Co., to be sold on our account, 170 bbls. Apples (**Hunt's consgt.**). Paid drayage in cash, $14.

Sold to Wm. Harris & Co., from Simpson's consignment of the 16th, 60 baskets Plums at 60c. ; 140 baskets Tomatoes at 35c.

Took the remainder of Simpson's consignment to our account at the above prices. Reported the consignment. Proceeds credited.

19. Bought from W. G. Brown & Co., 500 crates Strawberries at $2 a crate. Shipped these Strawberries to Montreal to the City Market Co., to be sold on our account. Paid freight in cash, $19.30.

Remitted to T. Simpson, a cheque for the amount of his account.

Received from C. E. Glover, to be sold on his account, 150 8 baskets Peaches, 200 6 baskets Grapes. Paid freight by cheque, $7.25.

20. Sales this day: Jas. Stevenson & Bro., 25 bxs. Little Neck Clams @ 16c. ; 200 crates Tomatoes @ $2 (Thompson's) ; 90 baskets Plums @ $2.15.

Wm. Harris & Co., 100 baskets Plums @ $2.15 ; 55 baskets Peaches @ 90c. ; 5 bbls. Melons (125) @ $4.20 a barrel.

F. Harding & Co., 25 crates Cucumbers @ $4.80 ; 200 crates Tomatoes (Hunt & Co.) @ $2.25 ; 12 bbls. Onions (Hunt & Co.) @ $9.37.

Cash Sales : 1 bbl. Melons @ $5 ; 150 8 baskets Peaches @ 90c. ; 200 6 baskets Grapes @ 30c

22. Deduct our commission of 15 % and expenses, and send cheques for net proceeds to John Keene & Co. , and to H. L. Thompson

Reported C. E. Glover's shipment of the 19th. Proceeds credited

23. Paid Briggs Safe Co. by cheque for the safe.

Received from C. E. Glover, for sale on his account, 125 10 baskets Grapes ; 140 10 baskets Peaches. Freight unpaid, $6.60

25. Accepted J. W. Green's draft on us at 20 days for the bill of the 9th

Received from R. Morgan & Co., a statement of sales, showing $295 placed to our credit. Drew on them at sight for the amount and discounted the draft at the bank ; proceeds credited. Discount, $1.40.

Cash Sales this day : 125 10 baskets Grapes @ 50c. ; 140 10 baskets Peaches @ 90c

Reported C. E. Glover's consignment of the 23rd. Proceeds credited

26. Received from S. Warner & Co. an account sales, with cheque, $204, for the net proceeds of our shipment to them on the 16th.

Received from T. R. Simpson, for sale on his account, 120 8 baskets Plums ; 200 10 baskets Tomatoes. Freight unpaid $7.20.

27. Sales this day : F. W. Harding & Co., 250 bags Potatoes (Hunt's) @ 95c. Cash Sales : 1 bbls. Melons @ $4.50 ; 120 8 baskets Plums @ 50c. ; 200 10 baskets Tomatoes @ 25c

Reported T. R. Simpson's consignment of the 26th ; cartage 75c. Proceeds credited

28. Received from T. Woodard & Co., an account sales of our shipment to them on the 18th. Proceeds, $214.93, remitted by cheque.

29. Received from the City Market Co., an account sales of our shipment to [illegible] on the 19th. They enclosed cheque for the net proceeds, $1543.80.

Received from T. R. Simpson, for sale on his account, 200 10 baskets Tomatoes ; 150 8 baskets Plums. Freight unpaid, $7.75.

30. Sales this day : Jas. Stevenson & Bro., 150 bxs. Oranges @ $3.15 ; 100 10 baskets Tomatoes @ 25c. ; 50 8 baskets Plums @ 60c. Cash Sales : 100 10 baskets Tomatoes @ 25c. ; 100 8 baskets Plums @ 60c.

Reported T. R. Simpson's consignment of the 29th. Proceeds credited

Received the following cheques on account : Jas. Stevenson & Bro., $73.80 ; Wm. Harris & Co., $175 ; F. W. Harding & Co., $275.

Gave our cheque to cover freight and cartage for the month.

Deducted our commission of 15 % and warehouse charges, $4.20, and sent a cheque to Hunt & Co for the net proceeds of their consignment.

Accepted T. Palmer's draft at 10 days in full of his account.

Post up to date. Take a Trial Balance. Make out the Financial Statement. Close the books

INVENTORY

Wages unpaid	$ -
Office Furniture on hand	50
Safe, valued at	150

BILLS

No.	When Received	L. F.	Account Cr.	Remarks	Payer	Payable at		Begins to Run	
						Place	Bank	Month	Year
1	Jan. 2	J. 1	P. W. Miller	Investment	L. Moir			Dec.	19 19
2	" 3	17	H. Hall	On acct.	H. Hall	Kingston	Mer.	Jan.	3 19
3	" 12	1	B. Receivable	Renewal No. 1	L. Moir			"	12 19
4	" 14	19	P. Fisher	On acct.	P. Fisher	Peterboro	B. of C.	"	14 19
•	"	2	Accounts Rec.	Cr.					

BILLS

No.	When Given	L. F.	Account Dr.	Remarks	Payee	Payable at		Begins to Run	
						Place	Bank	Month	Year
1	Jan. 2	J. 1	P. W. Miller	Investment	C. Hooper	Toronto	Dom.	Dec.	15 19—
2	" 5	13	R. Gray	On acct.	R. Gray	"	"	Jan.	5 19—
3	" 9	12	F. Jones	" "	F. Jones	"	"	"	9 19—
•	" 15	1	Accounts Pay.	Dr.					

PURCHASE

No.	When Received	L. F.	Name	Address	Date of Invoice	Terms
1	Jan. 2	4	D. J. Armstrong	Montreal	Dec. 24	
2	" 4	15	W. James & Co.	Toronto	Jan. 2	3/10 n/30
3	" 6	10	Dominion Glove Co.	Montreal	Dec. 31	3/10 n/30
	" 7	1	Freight	On Inv. 1 and 2		
	•	51	Dress Goods	1250.65		
		52	Glove and Hosiery	903.17		
		54	Staples	227.80		
		1	Accounts Payable	2381.62		
		11	Freight	8.50		

MATERIAL

No.	When Received	L. F.	Name	Address	Date of Inv.	Terms	Freight		Amount	
1	June 2	17	Standard Refining Co.	Montreal	May 30	3/10 n/30			122	—
2	" 3	9	Gordon King & Co.	Montreal	Jn. 1	3/10 n/30			127	30
3	" 3	19	Wilkinson Box Co.	Toronto	" 2	n			95	70
4	" 6	4	P. W. Hill & Co.	Toronto	" 5	n			189	40
	" 9	1	Freight	On Inv. 1 and 2			19	05		
	•	51	Box and Shipping	175.40			19	05	534	40
		19	Material	562.95						
		11	Freight	19.05						
		1	Accts. Payable	630.60						

ECEIVABLE

Time to Run	When Due: Year												Rate	Amt. of Bill	Account Received
30 da.	19—														
1 mo.	19														
30 da.	19														
20 da.	19														

YABI

Time to Run	When D: Year												Rate	Amt. of Bill	A	S.D.	Redeemed: When	How
30	19																	
	19—													126		50		Cheque
1 mo.	19																	

K

When Due: Year															Dress Goods	Gloves and Hosiery	Staples	
19																		Jan. 2 Cheque
19																		
1																		
															1284 65	261	225	

JOURNAL

						Flavouring		Chocolate		Cream		Butter		Remarks
					nt.	Wt.	Amt.	Wt.	Amt.	Wt.	Amt.	Wt.	Amt.	
						2 gr.	21 60	480	105 60					
				175 60								60	13 80	
			86				105		3 12					
		1786	602	175 60		2 gr.	22 65	480	109 02			60	13 80	

KINGSTON, October 1, 19—

	2	*John Adams, 92 Union St., On acct.*									
		1 Beaver Overcoat					32	50			
		1 Pr. Suspenders						50			
		2 Suits Underwear			2	25	4	50		12	50
	2	*J. B. Armstrong, 243 Brock St., Note 10 da.*									
		1 Tweed Suit					30	50			
		2 White Shirts			1	00	2	00			
		1 Boy's 2 piece Norfolk Suit					3	85		18	35
	11	*W. J. Gibson, 120 Dickson St., Cash*									
		1 Rain Coat					10	50			
		2 Ties				50	1	00		11	50
	15	*Merchandise Sales*		*Cr.*						31	25

MERCHANDISE PURCHASES

	19—		L. F.								
1	*Oct.*	10	7	*Barton & Manning*	*Oct.*	1	3/10 n/30		322	40	
2	"	2	12	*Home Bros.*	"	6	3/10 n/30		120	60	
3	"	14	16	*Norton McDonald*	"	10	3/10 n/30		77	20	
4	"	17	23	*Mdse. Purchases Dr.*							581 20

MERCHANDISE SALES

Order No.	Date		L. F.		Dress Goods		Gloves and Hosiery		Staples		Totals	
1	*Jan.*	1	17	*S. Martin, City,* 3/10 n/30								
				4 pcs. Satin, $62, 67\frac{1}{2}, 72, 68 = 269^{\frac{1}{2}}$		$67\frac{1}{2}$	182	08				
				6 pcs. Irish Poplin,								
				$68^{\frac{1}{2}}, 73^{\frac{1}{2}}, 74 = 215^{\frac{1}{2}}$	2	35	485	44				
				3 bxs. Cashmere Gloves,								
				4 doz. prs.	6	00			24	00	691	52
	"	1	17	*Bulmer Bros., Stratford,* 3/10 n/30								
				5 doz. Blk. Cotton Hose	1	80			5	40		
				3 pcs. Gingham, $37\frac{1}{2}, 38^{\frac{1}{2}}, 36^{\frac{1}{2}} = 112^{\frac{1}{2}}$		$11\frac{1}{2}$					12 94	18 34
							667	52	29	40	12 94	709 86
	June	15	2	*Accounts Rec.*	709.86							
			17	*Dress Goods*		667.52						
			18	*Gloves & H.*		29.40						
			19	*Staples*		12.94						

MERCHANDISE PURCHASES

	L. F.	Name	Terms	Freight	Dress Goods	Gloves and Hosiery	Staples	Total of Invoices
		T. R. Webb	*Dec. 28, 3/10 E.O.M.*					
			On above					
			Jan. 10, 3/10 E.O.M.					
			On above					
		Dominion Glove Co.	*Dec. 31, 1/10 E.O.M.*					
			On above					
			Jan. 10, 3/10 E.O.M.					
		Imperial Cotton Co.	*Jan. 5, 3/10 E.O.M.*					
			Jan. 9, 3/10 E.O.M.					
			On above					
			Jan. 20, 1/30					
			On above					
*	27	*Dress Goods*	*4555.55*					
	28	*Gloves and Hosiery*	*2076.50*					
	29	*Staples*	*1191.40*					
	15	*Freight*	*29.60*					
	7	*Accts. Payable*	*7798.65*					

NOTE.—The above form of Purchase book may be used when the record of due dates of invoices is kept in the daily memorandum book. See page 64.

REBATES CREDIT BOOK

Mar.	15	25	*E. R. Gorman*				
			402 lbs. J. Coffee, rebate				
"	17	22	*Newell and Reid*				
			198 lbs. J. Coffee, rebate				
"	21	30	*C. R. Dunlop*				
			2 Chests Ceylon Tea, 165 lbs., returned				
***	31	12	*Mdse. Sales*	*64.20*			
		7	*Accts. Receivable*		*64.20*		

REBATES DEBIT BOOK

Mar.	18	34	*Standard Refining Co.*				
			5 c/s G. M. Syrup 2 doz. ea. Short on bill of 5th				
"	20	27	*East India Tea Co.*				
			1455 lbs. Java Coffee, rebate				
"	25	15	*E. R. Boynton*				
			5 c/s Safety Matches, returned				
***	31	4	*Accounts Payable*	*68.65*			
		12	*Mdse. Purchases*		*68.65*		

OPENING A SET OF BOOKS—SINGLE ENTRY

1. Single Proprietor.

KINGSTON, Sep. 1, 19—

	B. S. Milne this day begins the Retail Hardware Business at 99 Princess St., investing as follows:—					
	Assets					
1	*B. S. Milne*	*Cr.*			*4607*	*40*
	Cash on hand		*150*			
	Cash on deposit		*275*			
	Mdse. on hand		*797*	*20*		
	Real Estate, Store and Lot		*3000*			
	Notes Receivable, Nos. 1, 2		*200*			
	W. J. Gibson, balance due		*75*	*20*		
	J. B. Armstrong " "		*110*			
	"					
	Liabilities					
2	*B. S. Milne*	*Dr.*			*390*	*20*
	Bills Payable, Nos. 1, 2		*330*	*20*		
	F. Forbes & Co., balance due		*60*			
	"					
3	*W. J. Gibson*	*Dr.*			*75*	*20*
	Balance of account					
	"					
4	*J. B. Armstrong*	*Dr.*			*110*	
	Balance of account					
	"					
5	*F. Forbes & Co.*	*Cr.*			*60*	
	Balance of account					

2. Partners continuing.

BERLIN, Oct. 1, 19—

	The firm of Kemp and Forbes carry on a Retail Clothing Business at 166 King St. Their standing is as follows:—					
1	*R. D. Kemp*	*Cr.*			*3270*	*10*
2	*J. S. Forbes*	*Cr.*			*2030*	*15*
	Assets					
	Cash on hand and in Bank		*1315*	*55*		
	Mdse. " "		*1850*	*55*		
	Office Furniture		*350*			
	Real Estate, Store and Lot		*6000*			
	Bills Receivable, No. 1		*77*	*20*		
	Accts Receivable, as per Statement		*107*	*80*	*9703*	*55*
	Liabilities					
	Bills Payable, No. 1		*225*	*10*		
	Accounts Payable, as per statement		*99*	*20*		
	Mortgage Payable		*4000*			
	Int. accrued on Mort. Payable		*50*		*4374*	*30*

NOTE.—The Ledger accounts may be opened from the statements of Accounts Receivable and Accounts Payable.

CHANGING BOOKS FROM SINGLE TO DOUBLE ENTRY

1. Short Form.

COLLINGWOOD, April 1, 19—

J. Adams and W. Mason have this day changed books from Single to Double Entry and continue business at 77 Hurontario St.

Capital	*75*	*Cash*	1975				
	76	*Mdse.*	4500				
	77	*Office Furniture*	350				
	78	*Insurance*	30	25			
	79	*Bills Receivable*	450				
	80	*Bills Payable*			365		
	81	*Interest accrued*			2	20	
	82	*Salaries*			25		

Impersonal accounts as per Single Entry Statement.

2. Complete Form.

COLLINGWOOD, April 1, 19—

J. Adams and W. Mason have this day changed books from Single to Double Entry and continue business at 77 Hurontario St. with the following standing —

		ASSETS					
Capital	*75*	*Cash*	1975				
	76	*Mdse.*	4500				
	77	*Office Furniture*	350				
	78	*Insurance*	30	25			
	79	*Bills Receivable*	450				
	✓	*Accounts Receivable, as per Statement*	557	60			
		LIABILITIES					
	✓	*Accounts Payable*			700		
	80	*Bills Payable*			365		
	81	*Interest accrued*			2	20	
	82	*Salaries*			25		
	✓	*J. Adams, Net Capital*			4476	65	
	✓	*W. Mason, Net Capital*			2584	40	

NOTE.—The above form may also be used when opening a set of books by Double Entry or when continuing by Double Entry.

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